



Daily Report

Central Eurasia

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Marshal Shaposhnikov on Nuclear Arms Control in Ukraine

OW2402173093 Moscow INTERFAX in English 1656
GMT 24 Feb 93

[Report on interview with Marshall Yevgeniy Shaposhnikov by Marina Chernukha; place and date not given—following item transmitted via KYODO]

[Text] Chief Commander of the Association of CIS Armed Forces Marshall Yevgeniy Shaposhnikov believes that if the problem of nuclear arms supervision in Ukraine is not resolved within six months, the republic's nuclear establishments "will represent a threat to the health of military personnel." The radiation levels around nuclear warhead sites are already much higher than normal, he said in an interview with INTERFAX correspondent Marina Chernukha.

Shaposhnikov said that Russia cannot delay the development and signing of an agreement on technical and developmental supervision over nuclear establishments. According to an agreement signed by Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk, it should have been prepared by mid-February.

The marshal thinks there are forces in Ukraine, including in the parliament, who "out of ignorance or ambition want to change the republic's nuclear status." They say that without missiles Ukraine will become "an outsider state." The Ukrainian president, prime minister, and defense minister say they will ratify START-I and the Lisbon Treaty, said Shaposhnikov.

Kiev has officially announced that it will strive toward nuclear-free status, but it did not say what status it maintains today. Shaposhnikov believes that stance was caused by the Ukrainian leadership's desire "to look good before the world community and in front of their opponents in parliament."

No Progress in Russian-Ukrainian Talks on Nuclear Arms

LD2402203693 Moscow ITAR-TASS in English 2030
GMT 24 Feb 93

[Text] Moscow February 24 TASS—A joint Russian-Ukrainian working group set up to oversee the elimination of nuclear warheads held a session in Moscow on

Wednesday [24 February] to discuss the removal, transportation and elimination of nuclear warheads stationed in Ukraine, the press service of the Russian Foreign Ministry said.

At the first round of talks held in Kiev between January 26-27, 1993, the Ukrainian side pledged to announce its position on the scale and terms of elimination of strategic offensive weapons temporarily deployed in Ukraine. However it failed to do so on Wednesday. Moreover, it turned [out] to be unprepared to discuss this issue which is directly connected with its obligations under the Lisbon Protocol obliging it to guarantee the elimination of all nuclear weapons stationed on its territory, including strategic offensive weapons within seven years as envisaged by the START Treaty.

Such position of the Ukrainian side obstructs further progress in the talks, the press service said.

Russia Blames Kiev

OW2402194593 Moscow INTERFAX in English 1928
GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] In the negotiations process between Russia and Ukraine on the implementation of the START-I Treaty "the Ukrainian party's position prevented us from moving forward to the discussion of important issues" at a session of a working group on the issues of the dismantling, transport, and destruction of nuclear warheads and parts of missile sites in Ukraine which was held Wednesday [24 February] in Moscow. So stated the Russian Foreign Ministry's Department of Press and Information.

During the first round of negotiations in Kiev on January 26-27 the Ukrainian party promised to present their stance on the levels and deadlines for the destruction of strategic offensive weapons temporarily located on Ukrainian territory.

During a session of the working group on February 24, notes a statement issued by the Russian Foreign Ministry's Department of Press and Information, it became clear that Kiev had not fulfilled this promise. Moreover, the Ukrainian party "in general seemed unprepared to discuss issues directly related to Ukraine's responsibilities, as stipulated by the Lisbon Protocol, to guarantee the destruction of all nuclear weapons, including strategic offensive weapons located on Ukrainian territory in accordance with agreements reached on this issue and within seven years, as this is stipulated by the START Treaty."

**Defense Ministers To Discuss Collective Security
26 Feb**

LD2402185893 Moscow ITAR-TASS in English 1807
GMT 24 Feb 93

[By ITAR-TASS analyst Andrey Naryshkin]

[Text] Moscow February 24 TASS—Members of the Commonwealth Council of Defence Ministers will meet in Tashkent on February 26 to try and consolidate their respective ministries's efforts in tackling collective security problems. Taking part in the meeting will be the defence ministers of the Commonwealth member-countries which have signed the collective security agreement.

Council Secretary Lieutenant-General Leonid Ivashov told ITAR-TASS that the agenda of the Tashkent meeting will consist of eight items, of which the raising of the defence capacity of the member countries and the deepening of their military collaboration will naturally rank first.

The meeting will also discuss draft agreements on the main principles and conditions of service with the Armies of the Commonwealth countries of servicemen-citizens of other countries, the use of the satellite communication systems for military purposes and additional measures to raise the responsibility of the executive bodies of state authority in the Commonwealth states for the fulfillment of agreements on military questions.

The draft agenda also includes items relating to drafting legislation in the field of defence, the implementation of accords concerning social and legal protection of servicemen and their families, the establishment of joint publications reflecting the activity of the allied Armed Forces of the Commonwealth of Independent States and their respective national Armies.

Some military experts believe that the discussion under items one of the agenda can transcend the officially announced frame and evolve into a discussion of the possibility of establishing a regional alliance of the Armed Forces within the frame of the former Turkestan Military District liquidated after the breakup of the Soviet Union.

According to preliminary data, this group may comprise the units and formations of the national Armies of the four Central Asian republics, Kazakhstan and some Russian units.

This move is seen as conducive to the successful solution of the most pressing issues of military cooperation within the framework of the agreement on collective security, but it is not yet clear to what extent the countries of the Commonwealth are ready for the move.

Shaposhnikov Postpones Meeting

OW2502141193 Moscow INTERFAX in English 1353
GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] Air Marshal Yevgeniy Shaposhnikov, the Supreme Commander of the Combined CIS Armed Forces, has decided to postpone the session of the Council of CIS Defense Ministers scheduled to take place in Tashkent [on] February 26. Interfax was informed by the supreme command's press center that this was due to the need for additional agreement on the documents for discussion.

Shaposhnikov himself told Interfax that one of the main issues for discussion by the defense ministers would be proposals to improve the structure of the CIS supreme command and increase the defense capabilities of those nations which had signed the collective security agreement. The marshal said that there were two draft options.

The first was reorganization of the supreme command on the Warsaw Pact model making the supreme commander himself Russia's deputy defense minister. The presidents of the CIS nations differ in their approach to this option. Kazakh leader NursulTan Nazarbayev, for example, is against this.

The second option is to set up a Council of Collective Security to include the heads of state and prime ministers of the six nations which signed the collective security agreement. The councils of defense ministers and foreign ministers, who would be coordinating joint activities, would be directly accountable to the Council of Collective Security. In addition, a Secretariat of the Council of Defense Ministers and the position of General Executive Secretary of the Council of Collective Security (which must be occupied by a politician and not a representative of the military) would be created.

Military experts say that this was the agenda item for the Council of CIS Defense Ministers session which required the additional agreement.

To Meet in Moscow 1 Mar

OW2402195393 Moscow INTERFAX in English 1928
GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Sources close to the Chief Command of CIS Forces told Interfax that a Council of CIS Defence Ministers meeting scheduled for Friday [26 February] in Tashkent would be held in Moscow next Monday instead.

CIS Aide on Expected Spring Offensive From Afghanistan

PM2402121193 Moscow PRAVDA in Russian
20 Feb 93 p 2

[Igor Lenskiy report, incorporating interview with General Farukh Niyazov, deputy chief of staff of CIS Joint Armed Forces; place and date not given: "H-Hour Falls at Navruz: Southern Border in Danger"]

[Text] On returning from a recent trip to Tajikistan, Russian Defense Minister Pavel Grachev stated that "a large-scale offensive against Dushanbe is expected in the spring." A date—23 March—seemingly pegged to the Eastern New Year festival of Navruz, has also emerged from the flow of information citing sources from the Islamic opposition. Another factor, however, is of strategic significance here: It is at the end of March that the Khorog-Dushanbe highway, the only one connecting Gorno-Badakhshan to the rest of the republic and which is impassable from fall to spring, reopens.

The Badakhshan sector is the most vulnerable along the whole of the Tajik-Afghan border (according to National Security Committee information, even engineering structures have been removed there). A breakthrough by the mojahedin, now concentrated in the northern provinces of Afghanistan, is not just possible but likely. By merging with the unextinguished center of resistance by members of the opposition (the fifth column!) in Ramit, the combat detachments of the mojahedin will put the very existence of Tajikistan at risk.

Such (or roughly such) considerations formed the basis of the decision to strengthen the border with battalions from Russia, Uzbekistan, Kazakhstan, and Kyrgyzstan. That decision, made one month ago in Minsk, has not been...fulfilled.

I spoke with General Farukh Niyazov, deputy chief of staff of the CIS Joint Armed Forces and permanent representative of Tajikistan, about the strange games played around the CIS's borders.

[Niyazov] The agreement remains in force. The battalions are being formed. I do not know when they will be introduced, but, in my opinion, that question will be raised once again at the meeting of CIS defense ministers in Tashkent on 26 February.

[Lenskiy] Once again? To what end?

[Niyazov] A number of documents detailing the agreement have been drawn up by the High Command. I cannot assert that Russia or any other state is not meeting its commitments.

[Lenskiy] What do you think about the spring offensive?

[Niyazov] There is no smoke without fire. Given that the core of the opposition remains intact, it may well mount a raid. Appropriate preparation is, as we know, being carried out in Afghanistan. Gunmen with 13 years of

fighting to their credit are seeking to make use of their skills, and earn some money at the same time.

[Lenskiy] How do you intend to defend yourselves?

[Niyazov] We intend to build our defense in three areas. First, the people themselves, who have never held anything in their hands except a pick, shovel, or hoe, but who have felt the "fascination" of war, will rise in defense of freedom and the legitimate government. Second, we have the Armed Forces, which are being recreated on the basis of the People's Front. And last but most importantly: In the event of external aggression we expect assistance—Commonwealth assistance—under the treaty on collective security.

[Lenskiy] Who destroyed the air defense system in Tajikistan?

[Niyazov] There was a directive from the former chief of the general staff on disbanding the air defense units stationed in Tajikistan; this was apparently in view of the cuts in the Armed Forces. It was a complete surprise to me. Now, since Grachev's visit, the decision has been countermanded. Fortunately, they did not have time to remove the dismantled equipment, and we now have something to reinstate. The air defense units will remain under Russia's jurisdiction.

[Lenskiy] And the 201st Division?

[Niyazov] It too will remain Russian. During the transition period, roughly through the year 2000, some equipment will be transferred to Tajikistan. But here time will tell.... [Niyazov ends]

Thus, although General Niyazov denies any friction among the CIS military departments, it does nevertheless exist, and we can see it. The Minsk agreement envisaged the immediate commitment of the battalions without new talks. A month has gone by now, and there has been no movement, unless you count the shuttle diplomacy of the defense ministers. But the border is guarded by soldiers, not ministers. And the delay could produce big trouble not just for Tajikistan but the whole Commonwealth.

'Ostankino' Deputy Resigns, Alleging Political Bias

MK2302123193 Moscow NEZAVISIMAYA GAZETA in Russian 23 Feb 93 p 1

["Open Letter to V.I. Bragin, Chairman of the 'Ostankino' Russian State Television and Radio Company"]

[Text] Vyacheslav Ivanovich!

I am telling you that today I submitted my resignation to government chairman V.S. Chernomyrdin. I consider it impossible to work for you for several reasons. It is unacceptable that one political grouping should have total influence on television, even one that has the most "democratic" name. One condition of real democracy is

television free from party bias. That cuts no ice with you. You obviously believe that the supreme goal of television, including the news programs, is to implement the directives of your political cronies. This is bound to mean that viewers will lose faith in "Ostankino's" programs and result in a new bout of political tension over television.

I cannot agree with your efforts to manage the company like a rayon committee in the good old days. To that end you created, as well as the multitude of managerial structures that already existed in the company, a special administration under the chairman, headed again by one of the ideologists in the political grouping to which you currently belong. It was a familiar excuse—establishment of good order in the company. Order does indeed need to be established, just as a new economic organization model needs to be devised for "Ostankino." But the solution lies in the opposite direction—economic rather than administrative methods and decentralization rather than centralization. Your actions will result in even greater chaos, thus creating even more fertile ground for corruption, which you purport to be combating.

Unfortunately, what you do not see is that television is a collective effort and that programs are not made just because the bosses want them made and have issued directives accordingly. You would end up with a series of pitiful items providing no pleasure at all for the audience. I guarantee that nothing good will come of the ill-considered "Russian World," or of the programs like "I Serve the Soviet Union," which have seen their day, or of the highly provincial program "Behind the Kremlin Wall." Clearly you do not care about this. You are only interested in immediate political considerations. Hence your instructions on the making of "topical" programs. Your intentions are easy to see: You intend to transform yourself into a gung ho patriot. That is your business, but why must the viewers pay for it?

What is amazing is your offhand treatment of the broadcasting network, of programs that have already been announced. Of course, programs sometimes have to be changed at short notice, but these decisions have to be very carefully considered, because the viewer finds sudden and bewildering program changes extremely annoying. Instructions of this kind pour out of your office—you are not interested in either sociologists' data or the opinions of people in television. Any negative consequences are secondary as far as you are concerned, compared with the possibility of earning a few points in the political game.

But I hope that your tenure as chairman of "Ostankino" will be brief and that you will not do too much damage to television and its viewers.

[Signed] I.Ye. Malashenko, first deputy chairman of "Ostankino" and general director of television

[Dated] 22 February 1993

Resigned for Financial Reasons

LD2402134293 Moscow ITAR-TASS in English 1223
GMT 24 Feb 93

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow February 24 TASS—Mikhail Poltoranin, head of the Federal Information Centre, believes that Igor Malashenko, first deputy chairman of the "Ostankino" tv network, resigned in order to avoid the exposure of financial irregularities, rather than for political reasons.

Vyacheslav Bragin, the new head of "Ostankino," "began to unveil criminal issues connected with monetary extortions on television and thus infringing on personal financial interests of his colleagues," Poltoranin told TASS on Wednesday [24 February], adding that "Malashenko anticipated a special press conference of Vyacheslav Bragin and decided to add political colours to his actions."

Malashenko said he resigned because Bragin, a close ally of Poltoranin, insists on presenting news in the way it suits democratic forces only.

Poltoranin, whose centre supervises the television, said he could not come to know Malashenko well because the latter "was often on trips."

The state appropriated 114 billion roubles to its television in 1993 and has the right to expect that "the television will explain to the people the principles of the policy of the president, the Congress of People's Deputies and the parliament." That is why Bragin, who was appointed by the president, has the right to demand from his employees to fulfil the tasks, Poltoranin said.

He blamed the television company for breaking into various legal entities each of which has its own air time and protects its own interests.

ITAR-TASS Carries Press Review for 25 Feb

LD2502110993 Moscow ITAR-TASS in English 0538
GMT 25 Feb 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow February 25 TASS—Moscow-based newspapers, irrespective of their orientation, report an opposition rally, which took place in downtown Moscow in the evening of February 23 and was dedicated to what was previously the Soviet Army Day and which is now marked as the Day of the Defenders of the Motherland [as received].

The rally organisers are convinced that almost 500,000 people took part in the rally, writes NEZAVISIMAYA GAZETA (INDEPENDENT NEWSPAPER). PRAVDA estimates the number of those present at 200,000. Militia estimates are much more modest.

"One can have a different attitude to the organisers of rallies and demonstrations under red banners. One can repudiate the conservatism of their demands and the excessive fierceness of speeches. But the voice of the people as has been reckoned in Russia from time immemorial, is the voice of God. Failure to heed this voice for long is too risky, to both the authorities and the state," ROSSIYSKAYA GAZETA observes.

"Georgia may turn into another Afghanistan" is the headline of a commentary in NEZAVISIMAYA GAZETA in view of the exacerbation of the Georgian-Abkhazian conflict.

Russian troops there are being subjected to armed harassment. According to Georgian parliament chief Eduard Shevardnadze, Russian troops should undoubtedly leave the territory of the republic. However, in the situation that has taken shape, the withdrawal issue cannot be raised immediately, since, as Shevardnadze believes, there is no guarantee that some of Russian troops' important strategic facilities on the territory of Georgia would not get under the control of Abkhazian forces.

KRASNAYA ZVEZDA (RED STAR), touching upon the same subject, points out that a treaty establishing basic principles for relations between Russia and Georgia, can be signed only after the conflict in Abkhazia is settled.

There will be no interruptions in the supply of grain to Russian consumers, Leonid Cheshinsky, president of the Roskhlebprodukt Grain Products Corporation, said in an interview with the newspaper ROSSIYSKIYE VESTI.

Notwithstanding the fact that 16 million tonnes of grain will have to be imported to meet Russia's domestic requirements in 1993, the corporation is in a position to ensure an uninterrupted supply of consumers with the necessary rawstuff [word as received], Cheshinsky said.

The European Community's credit line for 2.6 million tonnes of grain opened at the beginning of February. A French credit of 375 million dollars for the purchase of

2.5 million tonnes of grain will take effect at the end of the month. The preparation of a credit for the purchase of one million tonnes of grain from Australia will also be of much help.

At the same time the Russian Vneshekonombank does not repay intime the credits granted by the United States for the purchase of grain. Russia's unpaid debt has already amounted to more than 320 million dollars, PRAVDA Reports.

ROSSIYSKIYE VESTI carries an interview with Sangak Safarov, leader of the Popular Front of Tajikistan. Speaking about a spring-time offensive, promised by Islamic fundamentalists for the purpose of deposing the present government of Tajikistan, Safarov voiced confidence that they would not manage to attain the goals.

NEZAVISIMAYA GAZETA writes about a founding conference of the Russian Party of the Crimea. Sergey Shuvalnikov, a people's deputy of the Republic of the Crimea, was elected the chairman of the party.

A law on the Russian Federation's military-technology cooperation with foreign countries is to be elaborated soon, ROSSIYSKIYE VESTI reports. Experts expect that the document will stimulate the production of competitive hardware and armaments, the revenue from the sale of which on the world market would be used to finance priority defence-conversion programmes.

Touching upon parliamentary life, NEZAVISIMAYA GAZETA runs information on a meeting on February 24 in a narrow format with the participation of Parliament Speaker Ruslan Khasbulatov to consider an item, which is to be discussed at the parliament session on Thursday, about stabilising the constitutional system.

"The deputies are expected to endorse (or, to be more exact, not to endorse) personnel appointments to the parliamentary part of the commission for the elaboration of a constitutional agreement, and are also to decide on when an extraordinary congress should be held and what should be discussed at it."

Kozyrev, Christopher Begin Talks in Geneva*LD2502152293 Moscow ITAR-TASS in English 1430
GMT 25 Feb 93*

[By ITAR-TASS correspondents Konstantin Pribytkov, Boris Shabayev, and Georgiy Shmelev]

[Text] Geneva February 25 TASS—A working meeting between Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher began here a short while ago. It is proceeding behind closed doors. The two statesmen are conversing without translators. Taking part in the negotiations is a narrow range of advisers from both sides.

The talks are focused, naturally, on bilateral Russo-American relations and on the preparation of a summit meeting between the two powers, which is expected to take place in some third country already this March.

The U.S. secretary of state had arrived in Geneva immediately after his tour of several Middle East nations. The peaceful settlement of Middle East problems is bound to be among priority topics during the current exchange of views between the two sides. According to a high-ranking Russian diplomat, accompanying the minister, the main task is to map out concrete steps to do away with the "hitch impeding the development of the Middle East settlement process, to give it further impetus".

The diplomat told ITAR-TASS that it was necessary to remove all the roadblocks on the way, including the problem of deported Palestinians, which "still remains unsettled". The resumption of talks both on a bilateral and multilateral basis remains a most pressing. It is Russia's and America's strategic task, since they are co-chairmen of the peace negotiations, to seek ways to increasingly draw all the sides concerned into the process of the Middle East settlement.

The Yugoslavian crisis is another most important topic of the talks. The Russian diplomat believes that it is necessary to focus attention now on efforts, exerted primarily within the U.N. Security Council in New York, but without any attempts to find "roundabout ways" to solve this problem.

Summit To Be Discussed*PM2402142993 Moscow IZVESTIYA in Russian
24 Feb 93 p 3*

[Aleksandr Shalnev report: "Date for Presidents' Meeting Not Yet Fixed"]

[Excerpts] Washington—Despite the suppositions and hopes sometimes expressed in Moscow, the time and place for the meeting of Presidents Bill Clinton and Boris Yeltsin will not be fixed at the 25 February talks between the U.S. secretary of state and the Russian foreign minister in Geneva. Such, at any rate, are the predictions

shared with me by important sources in U.S. diplomatic circles who are directly involved in preparations for the Geneva consultations.

The idea of a summit meeting will undoubtedly be discussed by Warren Christopher and Andrey Kozyrev, but the Americans are simply not yet prepared to go further than an expression of general support for this idea. If only because U.S.-Russian relations are by no means the most important thing giving the Clinton administration a headache at the moment. A retarding factor is that, according to information from the same sources, former journalist Strobe Talbott, appointed chief coordinator of Washington's Russian policy, will not be confirmed in this post by the Senate earlier than mid-March. But until he officially assumes the post his chances of fulfilling his functions in a very bureaucratized Washington that strictly observes hierarchical subordination will be very limited.

Political instability and uncertainty in Russia and the administration's ensuing desire to wait a while and not to take any significant steps until the current power crisis has been overcome on one side or the other figure among other factors often being mentioned in Washington now. [passage omitted]

According to certain assessments the summit will not be held earlier than summer, when, people in Washington believe, there will be some clarity in the situation in Russia, and when Clinton will be a little freer of the "domestic" concerns which are particularly preoccupying him at the moment.

Kozyrev To Urge U.S. To End Double Standard in Arms Market*OW2402144093 Moscow INTERFAX in English 1427
GMT 24 Feb 93*

[Report by diplomatic correspondents Andrey Borodin, Igor Porshnev, and Dimitriy Voskoboinikov; from the "Diplomatic Panorama" feature—following item transmitted via KYODO]

[Text] Moscow intends to press its western partners to refrain from creating artificial obstacles in international markets for Russian companies engaged in arms exports, a high-ranking member of Russia's Foreign Ministry told a group of journalists. According to him, this issue was raised "at the highest level" in the framework of the Russian-American dialogue, and on the whole the Clinton Administration "showed that it understands" this stand. At the talks with Secretary of State Warren Christopher to be held in Geneva on Thursday [25 February], Foreign Minister Andrey Kozyrev is expected to point to the need to abandon the "double standards" policy in the area of arms exports.

As the diplomat said, Russia and the USA share the belief that markets should be open. Nevertheless American and West European companies belonging to the

military-industrial complex "react painfully to the emergence of new competitors in the markets they have traditionally viewed as their own". They are "apprehensive of competition" with Russian entrepreneurs who sometimes offer higher- quality products at lower prices.

In this connection the highranking Foreign Ministry official said he believes that governments should not get involved in the competition between companies by backing "their own" exporters on "far-fetched political pretexts". He doesn't rule out that frictions in this area might develop between the USA and Russia. "Our partnership is no cloudless idyll", he added. Nevertheless the diplomat stressed: "We must not allow the ideological and political confrontation to be replaced by economic one and poison our relationship".

Commentary on Outcome of Kozyrev-Christopher Meeting

LD2402234093 Moscow Radio Moscow World Service in English 1810 GMT 24 Feb 93

[Vladislav Kozyakov commentary]

[Text] On Thursday [25 February] Russian Foreign Minister Andrey Kozyrev meets with the United States Secretary of State Warren Christopher in Geneva. In our commentary Vladislav Kozyakov considers what the outcome may be:

One of the points of discussion will be preparation for a Russian-American summit. President Yeltsin suggested a summit as soon as Bill Clinton won the presidential elections last autumn. There's already an understanding on where the summit will take place, namely in a third country, and when it will be held, that is, soon. The exact date will be discussed. Officials in Washington suggest within the next eight weeks; officials in Moscow say why not next month? The Geneva meeting will apparently settle the matter of date and place.

What's most important is that both sides continue to say that they wish to promote the partnership that has emerged in recent years. Foreign Minister Kozyrev said before leaving for Geneva that he was taking along constructive proposals on a variety of matters, and all the signs are that State Secretary Christopher is doing the same. At any rate, State Department spokesman Joseph Snyder has told newsmen in Washington that President Clinton is looking forward to a (?speedier) summit with the Russian leader so as to hammer out close and effective cooperation between the two countries.

Still and all [as heard] it remains to be seen how the Geneva talks go. One reason for hesitation in forecasting is the overall approach of the United States to international affairs since the cold war ended. The Bush Administration decided after the Soviet Union collapsed that America was now the only superpower and could talk differently to Moscow and expect it to give in on all matters, weakened as it was by economic and political crisis. Unless this approach is modified, and Russia's

legitimate interests on the international scene are considered realistically and respectfully, the search for agreement could be long and difficult. Hence a great deal at the Geneva talks depends on the extent to which each other's interests are taken into account.

Nonetheless the realities of international relations today are highly favorable for closer Russian-American partnership. Take one example: Cooperation with the United States is most essential for Russia's reforms to be a success. There's no doing without it. As for the United States, closer relations with Russia and assistance in its steps toward democracy are an imperative for the Clinton Administration's economic plans to be a success.

This interdependence of two great countries augurs well for the talks in Geneva and the summit that will follow.

Kozyrev, Christopher Begin 'Post-Gorbachev Era'

MK2502120593 Moscow KURANTY in Russian 25 Feb 93 p 3

["Our Commentary" by Mikhail Shchipanov: "Pleased To Meet You"]

[Text] Messrs. Kozyrev and Christopher will have the honor today of officially making one another's acquaintance! Usually, the fact that someone is "new to the game" plays a special part in such meetings. But although the U.S. secretary of state was, as it were, demothballed by President Clinton, he is no newcomer to international affairs and he will soon recover his diplomatic match fitness. So the ministers would rather take their Swiss meeting as it comes, so to speak.

This is convenient for a number of reasons. Russia is obviously adjusting its America line, chiding the Yankees for their habitual penchant for dictatorship, international egocentricity, and a tendency to resolve problems by force. This does not mean that Moscow is quietly preparing for a new period of total confrontation with Washington. It is simply that the Kremlin bosses, having shaken off the hypnosis of massive transatlantic aid, are looking for a more balanced relationship and no longer intend to be examined in democratic maturity by the White House. The list of international issues on which Moscow intends to occupy its own position is lengthening before our very eyes.

So the opening meeting also has major diplomatic pluses. All America's great-power flaws are currently being blamed on the last administration, on the hapless Bush, who essentially deserved to pay for his policy's numerous weaknesses by losing the state apartments. Clinton and Christopher may possibly accept these game rules to some extent and talk about any objective friction that occurs without linking it to the present stage: Problems have accumulated, so let us roll up our sleeves and redouble our efforts.

Actually, it is important for Clinton which leg he leads with in the dance. Young and ambitious, he must demonstrate that he is no upstart, no provincial in international politics, so he has to display an ability to handle himself in a dialogue with an impulsive Russian colleague. But generally speaking Kozyrev and Christopher are finally beginning the post-Gorbachev era in international politics: The substance and the actors are changing.

Commentator Views Russian-U.S. Relations

LD2402143093 Moscow Radio Moscow World Service in English 1210 GMT 24 Feb 93

[Yuriy Solton commentary]

[Text] The Foreign Minister Andrey Kozyrev has said in an interview with the weekly 'LITERATURNAYA GAZETA' that there has been less euphoria in Russo-American relations and more focus on today's realities. Now a commentary by our observer Yuriy Solton:

[Announcer-read] Indeed the joy over the end of the Cold War, after which the former nuclear rivals have turned to partnership, is waning. And no wonder. Nations should never forget the Cold War lessons. Nor should they look backwards all the time. Even though Russia is the heir of the USSR it's an entirely different country based on adherence to democratic values, dominant in home and foreign policies. It's this that keeps it together with other democracies, the United States included. And it's this that has to be taken into account now.

But does the end of the time when the world was dominated by the two superpowers and their nuclear missiles mean that bilateral relations are less significant for maintaining global stability? Hardly so. The way Russia and the United States behave in the field of disarmament, the way they settle regional conflicts and approach other problems most sensitively affect world politics. And it's important that the course toward closer bilateral cooperation remains intact.

Moscow and Washington are ridding of excessive rhetoric and of keeping differences to themselves. [sentence as heard] But what makes their relations more reliable is that they rest on realities and take the changed situation into account.

Moscow welcomes the fact that President Clinton looks at cooperation with Russia like the Bush administration did in many ways. The last case in point is a rather sharp reaction in Washington to a statement by Richard Armitage, dismissed on Monday from his post of the coordinator of humanitarian aid for former Soviet republics. Mr. Armitage forecast the removal of Boris Yeltsin from power as a figure who has nearly exhausted his usefulness. His statement was disavowed immediately. The American Secretary of State Warren Christopher reacted to it by saying that the United States fully supports Russia's President Boris Yeltsin and will contribute to his success in every way. And a spokesman for

the Department of State added that Bill Clinton was looking forward to meeting with Boris Yeltsin.

Moscow is also looking forward to such a meeting. On Thursday [25th] Andrey Kozyrev and Warren Christopher will meet in Geneva to discuss ways of preparing a summit. A senior Russian diplomat believes that the two leaders can meet in a third country already next month or may be in June or July as others predict. But despite all forecasts the summit will take place, since it's critically important for real Russo-American partnership and cooperation both bilaterally and internationally.

Foreign Ministry States Proposal on Yugoslav Crisis

LD2402143193 Moscow Mayak Radio Network in Russian 1347 GMT 24 Feb 93

[Text] A news conference was held at the press center of the Russian Foreign Ministry in Moscow today on the problem of settling the Yugoslav crisis. A statement was made there by Deputy Foreign Minister Sergey Lavrov. He stressed that the Russian leadership is continuing to pay intense attention to settlement in the former Yugoslavia. One of the most important tasks is not to allow the talks concerning Bosnia-Herzegovina to break down.

Russia's deputy foreign minister went on to say:

[Begin Lavrov recording] Guided by this aim, the president of the Russian Federation has adopted the following proposal by Russia concerning further steps to settle the Yugoslav crisis.

First: Russia calls upon all sides in Bosnia to observe a truce for the duration of the talks and to cease the shelling of towns, particularly Sarajevo.

Second: It is essential to stop all military actions in Croatia. If the strengthening of the mandate of the UN force has no effect, Russia will continue to advance the issue of sanctions in the UN Security Council.

Third: Russia is a firm supporter of the quickest possible adoption by all the sides in Bosnia of the Vance-Owen plan for Bosnia-Herzegovina and of backing it up with a UN Security Council resolution.

Fourth: Following the signing by the Serbian side of a package of Vance-Owen agreements, the conditions would be created for the gradual lifting of sanctions against the FRY in order to secure the normal participation of the FRY in UN bodies and other international organizations.

Fifth: Russia is for the creation of UN multinational forces to facilitate the implementation of the Vance-Owen plan once it is approved. Russia is considering the possibility of a Russian contingent taking part in these forces. We are ready to involve the machinery of the North Atlantic Cooperation Council, including the material and technical resources of the relevant regional structures, in the implementation of future peacemaking

operation under the control of the UN Security Council in accordance with Article 8 of the UN Charter.

Sixth: The UN Security Council and CSCE must consider measures to tighten control over observance of the embargo on weapons supplies to Bosnia-Herzegovina.

Seventh: The resolution passed by the UN Security Council saying that the UN secretary general should prepare a proposal for the setting up of an international tribunal should serve the aim of making an objective investigation into war crimes committed during the conflict. We are ready to attach Russian experts to the investigation of mass burials in the area of Vukovar in Croatia and to the Geneva commission of experts on establishing instances of war crimes in the former Yugoslavia.

Eighth: Russia advocates the elaboration of guarantees of the implementation of human rights in Bosnia-Herzegovina with the emphasis on minority rights. [end recording]

Foreign Ministry's Support for UN Sanctions Criticized

PM2502102193 Moscow PRAVDA in Russian 24 Feb 93 pp 1, 3

[Article by Viktor Linnik: "Hara-kiri for Russia Kozyrev-Style"]

[Excerpts] A rapid exchange of fire erupted and immediately abated in the democratic and patriotic press over the damage Russia has incurred in connection with its association to the UN economic sanctions against Iraq, Libya, and Yugoslavia. The critical reports gave the figure of \$18 billion in direct losses, which were our payment for following in the wake of the "civilized" countries. In response in publications of an anti-Russian orientation in our country arguments of the following kind immediately poured out as if from a net full of holes: On the other hand, how much credit we have been granted by various countries in exchange for the Russian Foreign Ministry's immediate readiness to carry out the will of the world community. The result was a figure of about \$15 billion. According to this logic there would seem to be no particular losses...

I am deliberately avoiding the political, legal, and moral hidden agenda to Russia's vote for the UN sanctions. Although there are many questions here. For instance, how can one reconcile the still not denounced treaty on friendship and cooperation between Iraq and the USSR (and, as we know, Russia acts in the role of the USSR's successor) and association to a deliberately hostile action such as sanctions against Iraq? How justified are the sanctions against Libya, when charges leveled against it of involvement in international terrorism have nowhere been proven by anyone? Finally, how was it possible to flout the centuries-old ties between the Slav peoples of Russia and Serbia and, by joining in the sanctions, act in the role of servants to the masters of the "new world order?" I deliberately overlook these questions natural to

any decent person because it is obvious that Kozyrev and the Russian people have very different ideas of morality and national feeling...

Using the Language of Figures

So let us try to speak a language more comprehensible to our pragmatic age and the uncontrolled marketerrs—the language of ready cash. That is let us talk in strictly economic concepts—what it cost Russia to associate itself to the sanctions.

So the figures attest that Iraq, Yugoslavia, and Libya occupied a leading place in our foreign policy activity. The direct damage to Russia from association with the embargos against these countries was \$10.6 billion, the indirect damage a further \$5 billion.

Unrealized deliveries of weapons from Russia to these countries came to a substantial sum—\$18 billion. That is the so-called indirect damage through Russian Defense Ministry channels alone. Here we should also include the hard currency which Iraq and Libya paid for their military specialists to study in the USSR and now in Russia.

There are also more specific illustrations of the Foreign Ministry's bungling, to use a mild term for the time being. The world-famous Likhachev Automobile Plant alone lost \$300 million from the sanctions against Yugoslavia: \$120 million for nondelivery of diesel engines under a contract already paid for, the remainder because the plant now has to buy similar equipment from the "Bosch" firm. A familiar organization like "Tekhnopromeksport" which works with 2,000 plants incurred direct losses of \$173 million as a result of the embargo: The sums it failed to obtain totalled \$250 million.

To sum up, it is thus a case of the infliction of economic damage on Russia's national interests on particularly dangerous scales. I note that all the figures cited fail to consider our economic losses from lost contracts with third countries which reacted extremely adversely to Russia's association to the UN sanctions.

Did the Foreign Ministry Prepare for Sanctions?

A reasonable question: Before it adopted the sanctions did the Foreign Ministry calculate the possible economic losses to our country in connection with the bold voting at the United Nations together with the most civilized members of the world community? Did Russian diplomats raise the question of compensation for Russia in connection with the inevitable damage from association with the embargo? And let me remind you that the right to compensation is directly envisaged by the UN Charter.

It is improbably but one must accept the obvious: The Foreign Ministry carried out no interdepartmental coordination on this matter, that is in practice not a single ministry or department was asked for an expert assessment of the consequences of political decisions of critical importance for the country's devastated economy. In

those cases where departments at their own initiatives sent desperate forecasts to the Foreign Ministry they were simply ignored. What is this? Professional negligence verging on incompetence? Or—if we are to believe the Foreign Ministry, which constantly asserts it is only fulfilling the orders drafted from above—official eagerness copying precisely the departmental servility of former times? At any rate it is a shameful practice.

According to the Foreign Ministry's assertions, the question of compensation for association with the sanctions was raised by Russian representatives. But to judge by the complete lack of response to it on the part of the heavyweights of the world community, it was obviously only raised at diplomatic cocktail parties...

Let us try, for the sake of objectivity, to look finally at the actions of the Foreign Ministry officials regarding the question of sanctions from a very unexpected angle—as the actions of “slaves to honor,” aware that in the gentlemen's club of “civilized” states there are certain rules which have to be observed whether you like it or not even if it is obviously materially disadvantageous, even harmful to the country which they represent. Perhaps we should ascribe the losses to the eagerness of yesterday's personal assistants who used to carry their chiefs' briefcases to become the equals of the powerful abroad and to stifle their own communist provincialism with an acquired aristocratic nature? [passage omitted]

Game as Old as the World

But the proper propaganda effect was produced—it was announced to the whole world whose weapons are the best in the world. The introduction of UN sanctions against the main purchasers of Soviet weapons only completed the work begun by the Western military-industrial complex. And it consisted in driving the USSR and Russia away from an extremely advantageous business—arms trade on the world market.

You can expatiate as much as you like about general human values. About civilized norms for relations between states. You can bring down cascades of rhetoric at all international forums about the new era of partnership between “democratic” Russia and the “enlightened” West. But the thrust of the game as old as the world remains the same—it is the competition for sales markets, for access to raw material resources, for geopolitical control. Not a single country in the world except for Russia with its present leadership voluntarily renounces its influence or commits economic and political *hara-kiri* even if it is powerfully requested to do so. And neither the end of ideological confrontation nor the end of the cold war change anything in that respect. Because Russia's existence presupposes that it has national interests and they will inevitably clash with the interests of other states. Only in the new era this rivalry should be determined by the norms of decency.

But for the Yeltsin-Kozyrev team the concept of national interests is an empty sound, a fiction thought up by the

malicious specters of the totalitarian past. Hence Russia's association to the UN sanctions—a flagrant example of how a great country can through the will of its rulers abase itself to foreign whims.

That is why the question of whether the Foreign Ministry consulted with other Russian departments regarding association to the sanctions seems purely academic. It is clear that with consultations or without them Kozyrev's Foreign Ministry would have made the decision it made in connection with the embargo. Because today thinking in terms of national interests is not permitted on Smolenskaya Square. Or else it is simply beyond their capabilities. The Foreign Ministry arguments such as “on the other hand the West is giving us credits” are geared, to put it crudely, to idiots. Perhaps Kozyrev and his comrades actually believe that their opponents really look the way they are presented in television reports on meetings of the opposition—as feeble-minded retards? I venture to assert that that is not the case. And any more or less sane person can recognize Kozyrev's stories about the commercial credits in exchange for Russia's association to the sanctions. Our children and grandchildren will pay for these far from free loans. Incidentally, credits were something the West used to give us before—and far more eagerly than now, because the USSR was a far more reliable client.

But today it is obvious that the decision made by the Foreign Ministry and the president regarding sanctions has caused Russia real and substantial economic damage. Kozyrev bears personal responsibility for the economic and political damage inflicted on the country.

Moscow Extends Deadline on Halting Gas to Ukraine

LD2502070893 Moscow ITAR-TASS in English 0643 GMT 25 Feb 93

[By ITAR-TASS correspondent Viktor Petrenko]

[Text] Moscow February 25 TASS—Russia moved up the deadline for ceasing gas supplies to Ukraine until Sunday hoping that the coming visit of Ukrainian Prime Minister Leonid Kuchma to Moscow will help settle the problem, according to acting chairman of the Russian “Gasprom” concern Rem Vyakhirev.

Russia planned to stop the shipments on Thursday because Ukraine failed to pay 165 billion roubles for this year gas deliveries.

Vyakhirev said Ukraine promised to pay its debt by March 5. 27 billion roubles have been already received by the “Gasprom”.

NATO Commander Accused of Using ‘Cold War’ Phraseology

LD2402135593 Moscow ITAR-TASS in English 1327 GMT 24 Feb 93

[By ITAR-TASS correspondent]

[Text] Moscow February 24 TASS—The Russian Foreign Ministry expressed its confusion over the recent statements of John Shalikashvili, NATO supreme allied commander in Europe, made in the London Institute of Strategic Studies and said NATO should not try to involve east European countries into the military bloc.

In a statement issued on Wednesday a representative of the ministry said that Shalikashvili's pronouncements about the immutable role of the alliance, about the necessity of an all-round, including military, strengthening of NATO, on the "threat from the east" seem to be borrowed by the general from newspapers of "Cold War" times.

"The stereotypes of the East-West confrontation times, which seemed to be forgotten, are again recalled in NATO for some reason. This shows yet another time the necessity of radical transformations of the North Atlantic organisation and of the basic principles of its policy which should not, in any case, fall behind the changes in the general situation on the continent", according to the statement.

The ministry also expressed its confidence that NATO headquarters will not welcome the idea of involving, in this or other way, east European countries into the alliance.

"Provision of security in Europe, and in east European region in particular, should be looked for along the path of creating and strengthening pan-European structures, and not at the expense of enlarging military-political unions. The decisions of the Paris and Helsinki meetings of heads of state and government of CSCE countries are aimed at that. It is this approach which NATO representatives adhered to during their numerous contacts with the Russian side", the Foreign Ministry said.

Yeltsin Sends Message Congratulating ROK President

LD2502063493 Moscow ITAR-TASS World Service in Russian 0150 GMT 25 Feb 93

[Report by ITAR-TASS correspondent Ivan Zakharchenko]

[Text] Seoul, 25 Feb—Russian Federation President Boris Yeltsin has sent a telegram to Kim Yong-sam, president of the Republic of Korea, whose inauguration took place today in the South Korean capital. "On the day of your becoming president of the Republic of Korea, I send congratulations and wishes of good health, happiness, and success in fulfilling the serious mission entrusted to you by will of the Korean people," noted the Russian leader.

"I express the hope that your activity in that high office will promote a further development of mutually advantageous friendly relations between Russia and the Republic of Korea. I am sure that our contacts will continue for the good of the peoples of the two countries

and in the interest of peace and security in the Asian-Pacific region," stressed Yeltsin.

Technical Cooperation Agreement Signed With Japan

LD2402204093 Moscow ITAR-TASS in English 1952 GMT 24 Feb 93

[By BUSINESS-TASS correspondent Vadim Yegorov]

[Text] Moscow February 24 TASS—The first session of the Russo-Japanese Commission for Technical Cooperation ended in Moscow on Wednesday.

Viktor Komar, a representative of the Russian Ministry of Science, High School and Technical Policy, told BUSINESS TASS that as a result of the meeting a programme of bilateral cooperation for 1993 was signed, which is to become a basis for further joint projects, information and experts' exchange.

The programme was signed by Valeriy Mikhailov, first deputy Russian minister for science, high school and technical policy, and Shigeru Tsumori, deputy chief of the Japanese Foreign Ministry Department for European Countries and Oceania.

The agreement includes over 40 projects for developing joint work by Russian academic and scientific institutions and Japanese experts of research centres under the science and engineering department, the Ministry of Foreign Trade and Industry, Ministry of Agriculture, Timber and Fishing Industries, Health Care, Tokyo University and leading national laboratories in the city of Tsukuba and other leading centres.

The projects cover such spheres as agriculture and timber industry, physics of high energy, plasma and nuclear synthesis, radiation and conventional medicine, mechanics, ecology, earth studies, oceanology, space research, communication technology, nuclear power engineering.

A protocol signed as a result of the session says that Japan will officially confirm the endorsement of the programme for cooperation after the Japanese parliament approves the state budget for the 1993 fiscal year, which begins in Japan on April 1.

Summing up the results of cooperation for 1991-1992, the sides noted that during this period there was a marked decline in scientific contacts between the two countries which is the result of the general slump in Russo-Japanese relations.

During the meeting the Russian side suggested setting up a bilateral foundation for financing joint projects. However, Japanese officials rejected the idea saying that "each country should support such programmes on its own."

One of the Russian officials attending the meeting told BUSINESS TASS in a confidential interview that Japan is attracted more by a possibility of involving Russian

experts to work at Japan's own national programmes of priority financed by the Japanese government.

The sides agreed to hold another session of the commission in the first quarter of 1994.

Trade With China Reaches 'Record Level'

LD2502101193 Moscow ITAR-TASS World Service in Russian 0310 GMT 25 Feb 93

[By ITAR-TASS correspondent Andrey Kirillov]

[Text] Beijing, 25 Feb—Chinese-Russian trade reached a record level last year—\$5.85 billion, a three-fold increase on the level of Soviet-Chinese trade turnover of 1991. Russia ranks sixth in a list of China's main trade partners, a representative of the PRC main customs directorate said here.

Chinese exports to the Russian Federation have reached \$2.33 billion and imports \$3.52 billion. Nevertheless, the Chinese representative noted, commodity turnover is still conducted mainly through barter—63 percent of all deals to the amount of \$3.72 billion. Last year saw a rapid growth in industrial output trade, which amounted to 82.5 percent of the entire volume.

Grain, sugar, textile, ready-made clothes, and footwear were exported in considerable volumes from China. China imported from Russia machine-tools and equipment, petrochemicals, fertilizers, pig-iron castings, steel, cars and car chassis, airplanes and spares.

Trade With China Increases Despite Price Problems

MK2402143193 Moscow KURANTY in Russian 24 Feb 93 p 5

[Interview with Lev Antoshchenkov, deputy chief of the Russian Ministry of Foreign Economic Relations Administration for Economic Relations with Asian Countries by Grigoriy Koshkarov; place and date not given: "China Is Very Serious"]

[Text] [Antoshchenkov] Trade and economic relations with China are objectively conditioned historically. During the 1991 slump due to the breakup of the USSR and China's switch to transactions in hard currency, centralized state turnover here experienced a steep downturn, while trade at the regional, provincial, city, and enterprise level and direct border trade largely stayed as they were. These links now account for over 80 percent of our trade turnover. In 1992 our trade turnover exceeded \$5 billion. So Russia's trade with China has reached the level achieved by the whole of the Soviet Union in the record year of 1990. The results of B. Yeltsin's recent visit simply exceeded the most confident expectations. Solutions were found for the entire range of problems and around 35 agreements and intergovernmental documents were signed, including some in the sphere of trade and economic links.

[Koshkarov] When we analyze the past year we encounter certain things that demand comment. In the first place, the trade agreement with China for 1992 was signed on 5 May. A document of this kind is normally accompanied by an interbank agreement, which is signed if not immediately, then within two weeks. On this occasion what is really a routine document was not signed until 27 November. Why the delay?

[Antoshchenkov] The interbank agreement is a technical one. It establishes the payments mechanism. Trade transactions and contracts for supplies of goods have not been held up as a result of this. The main obstacle was not the lack of the documents, but the transport problem.

We also differed over the form of payments. We have now signed an agreement that permits all forms of payment, which will be determined by the purchaser and the vendor in the contracts. All transactions with China will be in freely convertible currency. Except for credit transactions. In particular, China has now granted us two commodity credits and we, in turn, have given it credit for the construction of a nuclear power station with our assistance.

[Koshkarov] A subtle detail. The products normally supplied by Russia have a fixed world price. It is determined by various means, including on the basis of product comparison. It is considerably harder to trace the correspondence between the prices of Chinese products and world prices.

[Antoshchenkov] Russia sends only complete sets of equipment to China within the framework of state trade. We do not supply any raw materials. But we get food and consumer goods from China. Under the terms of our agreement prices are set on the basis of world prices. The fact that the quality of Chinese goods is somewhat lower than world standards is another matter. But, given our shortage of commodities, Chinese goods fully satisfy our consumer needs. As a rule these are goods from natural products: wool, fur, rice, corn, soybeans, and so on. And we only take goods that are requested by our plants which supply China with equipment and are entitled to make purchases.

[Koshkarov] But according to the trade protocol signed on 5 May one of the major suppliers of power industry equipment—the Leningrad metal plant—supplied China with turbines and made a preliminary request, indicating that it was interested in cement. It was given a price that was several times higher than the world price.

[Antoshchenkov] Indeed, we did have a price problem last year. There was some very serious discussion of this at government level, to the effect that a number of Chinese organizations had breached existing price accords. But the volumes of food and consumer goods we had agreed were supplied by China.

[Koshkarov] I asked about prices deliberately. Russian exporters are in a very interesting position at the moment. The crazy dollar rate has made an export

transaction considerably more profitable. Chinese businessmen know this well enough, so they are not afraid of hiking the prices of their own products.

[Antoshchenkov] But our people will never buy just one thing if they can get two. Why should they? [If the prices are hiked] we will not buy, and that is that. Let China owe us. Although it has to be said that China always pays its debts.

[Koshkarov] OK, but what is your assessment of the quality of Chinese goods and food? What are we doing to prevent defective and substandard consignments from getting into the country?

[Antoshchenkov] At every port and every entry point on the Russian border you will find an epidemiological service, and, like the customs, it is entirely independent. Every consignment is opened and, if anything is found to be wrong, the consignment is properly packaged, a complaint is drawn up, and the item is replaced or the hard currency is returned. That is normal trade. I will tell you that my whole family prefers Chinese food, which is preferable to any Western food in terms of quality and hygiene, because it does not contain any chemicals.

[Koshkarov] So Chinese products are great?

[Antoshchenkov] Precisely. If we could solve our problems with feed grain, oilseed cake, soybeans, and corn in this way it would be splendid. Then we would switch all our imports from the West. There is no comparison even with Canada and the United States. We are able to check any item, even dusters, shirts, and jackets. If it is a normal purchase, 10 items out of a representative consignment of 1,000 are checked. And a complaint will be made against the whole consignment. But I would point out that this year we have not had a single serious complaint to make about quality.

[Koshkarov] In your view, is there anything that still needs adjusting in our relations with China, so that Russia's interests are better and more effectively observed?

[Antoshchenkov] Every effort must be made to expand these ties. The Russian-Chinese border must be "unpicked." I say this also because of the increased effectiveness of the health and epidemiological service, customs and transport arteries, construction of warehouses, and so on. Incidentally, we now have practically a complete legislative base, including legislation for price policy. We observe and mutually respect the laws—which has made it possible to establish essentially a most-favored nation setup in our relations. The Chinese, incidentally, beat us to it by removing all taxes from Russian exports and imports.

We and China very considerably complement one another and we have common interests. By shipping our equipment to our southern neighbor we are creating jobs. A major agreement has been signed to construct a nuclear power station, which is important for us in the aftermath

of Chernobyl. It is the Leningrad metal plant all over again, whereby tens of thousands of people are working for China. Then this work is greatly inspired by the massive discipline of fulfilling commitments. Any good initiative will be realized instantly.

[Koshkarov] We have already pinned too many hopes on the West. Do you not think that what we are getting now is the same one-sided and somewhat romantic orientation toward China?

[Antoshchenkov] We must rely on ourselves. That is the first criterion. Neither Western credits nor Chinese food are going to save us; it is all a drop in the ocean. Russia is a country with a massive potential. Yes, it is advantageous for us at the moment to cooperate with China. Let us be honest—we have to feed Russia now. Can China help in this? It can. We have to dress Russia. Can China help? Certainly. Once again I want to stress that the Chinese are very reliable partners. If a Chinese tells you today that we can open a store and he will provide the goods, that he will do. Unfortunately, we may not meet our commitments. There is any number of cases in our interregional trade where the Chinese have sent goods without a contract in response to a request from a Russian city or oblast. For example, it is a severe winter and there is no meat in a particular oblast. The administration head asks a partner in Harbin or some other area to supply the product, promising to pay with a shipment of timber. This particular oblast ate the meat a long time ago, but the Chinese are still waiting for the timber. There is any number of examples of this.

It is these circumstances, as you can appreciate, that stimulate our desire to develop these relations.

Rocket Producers Likely To Heed U.S. Sanctions on Sales to India

OW2402180793 Moscow INTERFAX in English 1656 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] The Russian space rocket producers will probably abstain from supplying cryogenic rocket motors to India for fear of potential financial losses as a result of U.S. sanctions. Sources in GLAVKOSMOS, Russia's main space exploration department, indicate that the supplies, which have been coordinated between Russia and India, are likely to be upset for financial and technical reasons experienced by Russia enterprises, as well as due to the indecision of the Russian government in that regard.

Russia's supplies to India of cryogenic rocket motors for the Indian space program were strongly opposed by the U.S. which charged Russia with breaching the international convention on nonproliferation of rocket technologies.

President Boris Yeltsin, however, renounced these charges, reiterating Russia's intention to pursue independent policy in exporting space paraphernalia and know-how during his official visit to India.

In the opinion of GLAVKOSMOS experts, Russian cryogenic rocket motors have indisputable advantages over analogous engines which are currently designed for the European "Arian-5" rocket. Russian cryogenic rocket motors could secure technological superiority of the Indian space program, bringing India to the first place among the other developing countries. The price of a Russia cryogenic rocket motor is estimated as \$250-300 Mn [million].

Pakistan Plans To Buy Russian Combat Aircraft

PM2402140193 Moscow IZVESTIYA in Russian
23 Feb 93 Morning Edition p 3

[Report by Nikolay Paklin: "Pakistani Army Intends To Acquire Russian Fighters"]

[Text] Delhi—The Indian newspapers assert that Pakistan intends to acquire Russian MiG-29 and Su-27 fighters. This suggestion will be made during the forthcoming visit to Moscow by Pakistani Prime Minister Nawaz Sharif. And that, the newspapers confirm, is counter to B. Yeltsin's promise not to supply arms to Pakistan, made during his recent visit to India.

Pakistan turned its gaze toward Russian weapons after the United States blocked the delivery to that country of an additional quantity of F-16 aircraft because of suspicions that the Pakistani nuclear program was taking a military turn. Pakistan also failed to do business with France regarding the purchase of its "Mirages."

The report of the planned sale of Russian combat aircraft to Pakistan has caused concern among Indian experts. Staffers at the Delhi institute of strategic studies believe that if this happens the Pakistani army will receive reliable air cover for conducting offensive operations deep inside Indian territory. It is true that information had previously filtered to the press to the effect that India itself had decided to acquire a new consignment of Russian MiG-21 aircraft.

As for the reference to B. Yeltsin, in Delhi he spoke of Russia's intention not to render military aid to Pakistan. But selling arms on commercial terms is a completely different matter.

Chief Designer Reviews UAE Arms Exhibition

OW2402130893 Moscow INTERFAX in English 1132
GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] The international exhibition of military hardware and weaponry which took place in mid-February in Abu Dhabi (capital of the United Arab Emirates) displayed the extent to which Russian weaponry lacked modernization in such areas as space research, infra-red imaging (with infra-red beam assisted orientation) and high-capability communications equipment able to document

information. This was how Academician Arkadiy Shipunov, the chief designer from the Tula Construction Design Bureau, summed up the Russian contribution (the largest at the Abu Dhabi exhibition with over 370 examples of weaponry) in an interview with Interfax.

The main factors which made Russian weaponry competitive on the world market and especially in the Arab states were reliability and simplicity of use. "For armies in which soldiers do not possess a high level of technical training these factors could have a decisive influence," the academician remarked.

Shipunov said that anti-aircraft guns, Russian examples of which included the S-300 PMU, Tor and a number of others, had attracted the most attention at the exhibition. He added, however, that the "niche for such weaponry in the market had not yet been filled and that lighter and more mobile systems were needed."

Shipunov reported that the Tochka missiles with their highly accurate guidance system had excelled at the exhibition. The academician himself, however, considered that the current 120 kilometer range of these missiles would have to be increased.

The T-80U tank and the armored personnel carrier Mark 3 were, the chief designer said, the best of their class anywhere in the world. Their high quality technological disengagement had, he continued, been proved by working and firing tests in Abu-Dhabi. Not one tank in the world currently had guided missiles.

"A balance of merit" could be observed in anti-tank systems, Shipunov said. The market in this field would be controlled by the first manufacturer to produce third generation anti-tank guided missile systems.

New Regulations on Arms Embargoes Go Into Force

MK2402120293 Moscow KOMMERSANT-DAILY in Russian 23 Feb 93 p 9

[Vladimir Makartsev article: "Arms Exports Will Be Regulated"]

[Text] As promised on 20 February, KOMMERSANT-DAILY today reports on the substance of the Russian president's edict "On the procedures for imposing an embargo on deliveries of arms and military equipment, the provision of technical military services, the delivery of raw materials, commodities, and equipment, and the transfer of dual purpose technologies to foreign states, including CIS member countries."

The presidential edict puts the corresponding regulations into effect and obligates the Russian Ministries of Justice, Foreign Affairs, Security, and Internal Affairs to come up with proposals on legislative control over issues related to imposing embargoes within three months.

Under these regulations, before voting at the United Nations in favor of an embargo, Russia's stance will be

coordinated "with the relevant ministries and departments of the Russian Federation, and, if necessary, discussed at the Security Council" of Russia. The president will make the final decision. The observance of sanctions will be monitored by the Interdepartmental Commission on Technical Military Cooperation between Russia and Foreign Countries.

Enterprises affected by the embargo will be reimbursed for losses resulting from the suspension of existing intergovernmental agreements and contracts. Weapons that were not sold because of an embargo may be offered to third countries. Observers point out that the "bureaucratic" phrasing of the document disguises an extremely "flexible" content that will enable Russia to "observe all the proprieties" and at the same time minimize the damages for defense-related enterprises, which constitute up to 80 percent of all enterprises in Russia. With state production orders falling, arms exports remain for them the only source of financing. Experts believe, however, that the hopes for reinvestment in conversion are scanty: Civilian goods cannot compete on the world market.

Kozyrev, Germany's Genscher View Relations

LD2402185693 Moscow *ITAR-TASS World Service in Russian* 1817 GMT 24 Feb 93

[By ITAR-TASS correspondents Boris Krivoshey and Georgiy Shmelev]

[Excerpt] Moscow, 24 February—Russian Foreign Minister Andrey Kozyrev has had a meeting with Hans Dietrich Genscher. "The present situation in Europe, a number of questions concerning the development of cooperation between Russia and Germany, the process of all-European integration, and the settlement of the crisis in Yugoslavia—these are a number of issues I discussed today with Hans Dietrich Genscher, whom I consider the 'doyen of the world's foreign ministers'," the Russian minister said after finishing his conversation with him. Andrey Kozyrev stressed with satisfaction that the approaches of Russia and Germany coincide, in particular on the question of a settlement for the crisis in Yugoslavia.

For his part, Hans Dietrich Genscher noted the important role of Russia in creating a single and stable Europe. According to him the future of the European continent cannot be built without Russia. He stressed the significance of Moscow in developing the processes of European integration. Noting his great interest in the existence of a stable and strong Russia, Hans Dietrich Genscher again stated Germany's efforts to develop all-round cooperation with Moscow, as witnessed by the recent visits by German leaders to Russia. "Today we must, together with Russia, turn our gaze to the future," he said. [passage omitted]

National Currencies To Be Allowed in Trade With East Europe

MK2402134493 Moscow *KOMMERSANT-DAILY in Russian* 24 Feb 93 p 3

[By Georgiy Bovt, Natalya Kalashnikova: "Plans for Russia's Financial Settlements With East Europe. National Currency Could Lead Trade Out of Crisis"]

[Text] Russia's trade with Eastern European countries may pick up soon. This is the conclusion that can be drawn from the results of a work conference held by Vice Premier Aleksandr Shokhin on 22 and 23 February. It touched on questions of financial settlements with Eastern European states, with which Russia's trade is currently in a deep crisis. A draft decree permitting Russian exporters to trade with former member countries of the Council for Mutual Economic Assistance [CEMA] for national currency was agreed on. *KOMMERSANT-DAILY* experts think that the planned measures will make it possible to go over gradually from small-scale wholesale reciprocal deliveries to large-scale trading operations with these countries.

The record high trade turnover between CEMA countries of 185 billion transferable rubles in 1984 is now practically down to zero. The crisis was caused by the USSR's 1990 decision to switch to payments in convertible currency.

As for the East European countries' relations with the West, only a few of them have been able to reorient their economies even partially to the Western market. The reason for this is both the preservation of the EC tariff barriers and the uncompetitiveness of Eastern European goods. In addition, World Bank experts think that even the falling production in East Europe that has been in evidence for the past two to three years has not led to a reorientation of their economies to benefit those industries that are competitive. The disintegration of CEMA and the USSR has only worsened the domestic economic problems in Eastern Europe and has greatly slowed down their market reforms. Now the World Bank is recommending that the Czech Republic, Hungary, and Poland should trade with less developed countries (in particular with the CIS) in order to keep production going and preserve jobs.

Russia faces similar foreign trade problems. Considering the growing economic disintegration of the Commonwealth, the resumption of links with former CEMA members is of particular importance to it.

Under these conditions, the decree discussed at the conference could mark a substantial step forward in overcoming the paralysis of Eastern European trade. The decree provides for the possibility to "permit producers to use national currencies" in payments with countries of the former CEMA. In order to stimulate exports, Russian exporters will be released from the obligation to sell part of their hard-currency income. The decree takes account of both the inclination by a certain proportion of Russian

exporters to sell mostly raw materials and fuel, and the lessons of the past, when the USSR sold fuel and raw materials to CEMA countries at much lower than world prices. This is why the decree does not cover all the strategic goods that are subject to export licensing (in particular, oil). Experts believe that this measure is primarily designed to boost exports of engineering products, which once held an important place on East European markets and were not always in demand in the West.

According to Russian Foreign Economic Relations Ministry sources, however, there are several obstacles on the path of carrying out the proposed measures. First of all, one has to define "the conditions for operating the financial accounts of nonresident exporters" that are opened in Russia and countries of the former CEMA. It is also necessary to create a legal mechanism for opening such accounts in the importer's country, and to specify the ways in which they can be used. As applied to Russia, this means controlling the participation by account holders in currency auctions and export-import operations.

Observers argue that the new form of trade will specifically benefit major producers and state organizations. As for small and medium-size firms (which account for as much as 40 percent of trade turnover with East Europe), they may lose their advantages—mobility and the ability to turn around quickly the only freely convertible currency that is permitted in monetary settlements today.

If implemented, the plan is expected to help lead Russian trade with East Europe out of crisis, and create favorable prospects for regional economic reintegration along the lines of Western Europe.

UK's Heseltine Views Prospects for Cooperation

LD2502093393 Moscow ITAR-TASS in English 0828 GMT 25 Feb 93

[By ITAR-TASS correspondent Vladimir Voronkov]

[Text] London February 25 TASS—It is no secret to anyone that Russia's economic problems make British entrepreneurs to ponder whether it is worthwhile for them to cooperate with it and invest their capital there. The sooner Russia stabilises the economy and makes headway along the lines of market reforms, the more quickly trade turnover and British investments will grow, Michael Heseltine, British secretary of state for trade and industry, who is a co-chairman of a British-Russian Intergovernmental Committee for Economic Cooperation and Investments, told ITAR-TASS, sharing his considerations about prospects for economic cooperation between the two countries.

The main task of the committee is to overcome the existing obstacles, create a favourable climate for entrepreneurs, implement special projects and find various resources to finance them, the British trade secretary said. In this connection much attention is being attached

to programmes of self-financing in convertible currency, particularly to those based on the use of Russian natural resources.

It is difficult to foresee a scope of British-Russian cooperation this year, since much depends on itself, Mr Heseltine said.

British business now actively operates in such an important branch of the Russian economy as the power industry, helping it to boost the production of oil and gas, which will promote an increase in the inflow of hard currency revenue to the Russian Federation.

British companies are interested in wider cooperation in the extracting industry, agriculture, the food sector, public health, the development of infrastructure, aircraft construction and consulting on market economy matters, banking, and in the privatisation process—the field in which Britain has gained a wide experience.

British businessmen will readily cooperate in these and other spheres if Russia creates an appropriate structure and will be able to ensure a guaranteed payment for the work done, Mr Heseltine said.

Mongolian Ambassador Discusses Ties

PM2402162593 Moscow IZVESTIYA in Russian 20 Feb 93 p 3

[Interview with N. Mishigdorj, Mongolian ambassador to Russia, by Boris Vinogradov; place and date not given: "Moscow and Ulaanbaatar Condemned Repressions"—first two paragraphs are introduction]

[Text] The former USSR's treaties with countries that came within the orbit of the "socialist community" are now being revised and reexamined. The process is currently taking place, as the saying goes. In some places complexities are arising with ratification (Hungary), while in others events are developing so fast (Czechoslovakia) that jurists do not have time to formulate new wordings. In this category things are moving most favorably in the Russian-Mongolian sector.

The treaty signed recently in Moscow suits both sides and, to all appearances, there will be no complexities over its ratification in the parliaments. N. Mishigdorj, Mongolian ambassador to Russia, talks about this and other spheres of relations in an interview with IZVESTIYA.

[Mishigdorj] Our Cabinet of Ministers has already approved the treaty signed by President B. Yeltsin and by P. Ochirbat 20 January and sent it for ratification to the Great State Hural. We believe that the document accords with the interests of both countries.

[Vinogradov] Separately from the treaty, the presidents also adopted a statement condemning the Stalinist repressions of the thirties and forties. What is the political meaning of this document?

[Mishigdorj] The statement was adopted on Mongolia's initiative. Our people suffered badly from repressions by the People's Commissariat of Internal Affairs and other Stalinist punitive organs. The flower of the nation—its intelligentsia, prominent public figures and politicians, the clergy—was virtually destroyed during those years. The figures relating to the numbers repressed are inexact (the archives still have to be studied) but, according to certain data, we are talking of tens of thousands of people. We believe that Stalin tried out on Mongolia his "working methods" in allied foreign countries. Mongols were the first to get to know their brutality. Our people need a guarantee that this will not happen again. We raised this question with M. Gorbachev before, but only now has it been possible to clarify it fully. Incidentally, we believe that it is not obligatory to include declarations of this kind in the state treaty.

[Vinogradov] Ochirbat's visit to Moscow was successful. But unresolved problems have also remained. The debt problem, for example. Russia believes that Mongolia owes it 10.5 million transfer rubles [R].

[Mishigdorj] Indeed, both sides acknowledge that this problem exists. Hitherto it had been touched on at various levels, but only recently did it become a subject of discussion between the two presidents. They have decided to set up a commission of experts who will start preparing their recommendations in a month or two. It is necessary to find a mutually acceptable form of transactions, proceeding from the fact that neither the transfer ruble nor the prices at which deliveries were made on credit exist anymore. There is the idea of reinvesting part of the debt in our economy and creating joint ventures on this basis—which must make a profit for both sides.

[Vinogradov] What about the property of the Russian Army remaining in Mongolia after the troop withdrawal?

[Mishigdorj] It is necessary to seek agreed options here as well. Military camps, apartment blocks, and various production installations are situated, as a rule, in desert areas, far from cities and settlements. It is suggested that we buy them but, quite honestly, we do not know what to do with them or how to use them. Much has already been taken away, and some things have been looted, rendered unfit, or damaged. A list of ecological complaints has not yet been drawn up. Our specialists propose taking the path of jointly utilizing the property that is left and creating on its basis some industrial projects or private firms.

[Vinogradov] As an encouragement to reciprocal trade, Russia and Mongolia have introduced new border-crossing arrangements and adopted customs regulations.

[Mishigdorj] I must comment that, despite rumors and fabrications that have appeared, there are no border disputes between our countries. Both presidents confirmed this in Moscow. As for the customs regulations, they are designed to regularize border trade, which is developing quite rapidly. More and more people are

being drawn privately into the trading business. The old instructions have become obsolete. Until recently, for example, according to Russian laws, our citizens were permitted to bring in goods worth just R300, whereas any foreigner can take out of Mongolia things that he has bought to the value of 50,000 tugriks, which at the present unofficial rate is equal to almost R70,000. This discrepancy has caused certain difficulties and discontent. But the two countries' customs services seem to have found a mutually acceptable solution to this question too.

[Vinogradov] Nonetheless, what is it planned to do along state lines?

[Mishigdorj] Mongolia is tied tightly to the Russian market. This is understandable. But cooperation will now take place exclusively on the basis of mutual advantage. In addition to sheepskin coats and skins, we supply Russia with copper and tin concentrate and fluorspar, which your industry needs. Russia has granted us commercial credit of \$38 million to complete projects which have already been started. There is the idea of setting up a major joint venture to produce coking coals with the participation of third countries. Tenders will be sought for the exploitation of certain deposits, and we are counting on Russian capital. It is also necessary to create a legal treaty base and settle problems of transport, taxation, investment protection, etc. There is a lot of work, but the projects are interesting.

Moldovan Delegation To Discuss 14th Army Withdrawal

OW2402141393 Moscow INTERFAX in English 1344 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Moldova's Deputy Foreign Minister Ion Chebuk leads a government delegation arriving in Moscow on Wednesday [24 February]. A Defense Ministry spokesman in Chisinau said the team would be involved in a third round of talks with Moscow on Thursday to try to define the status and schedule of the withdrawal of Russia's 14th Army from Moldova.

Estonian Envoy Views Problems in Relations

LD2402174893 Moscow Programma Radio Odin Network in Russian 1313 GMT 24 Feb 93

[Interview with Juri Kahn, Estonian ambassador to Russia, by correspondent Igor Ternevskiy, in Moscow on Estonian Independence Day, 24 February—live or recorded]

[Text] [Kahn] Every state considers the day of the establishment of its statehood the most important festival for its people, and its state.

[Ternevskiy]: How would you assess the current state of Russian-Estonian relations?

[Kahn] There is a whole range of unresolved problems which go beyond a simple process of talks and require quite serious political solutions. Indeed, in the course of the process of talks which has lasted around a year, we have reached the stage where it is becoming clearer and clearer that those issues which we are unable to tackle require serious political discussions at the level of the leaderships of the countries.

[Ternevskiy] There is talk that Estonia is making territorial claims on us for part of the territory of Kursk Oblast.

[Kahn] I am very glad to have the opportunity today, on Independence Day, to tell all listeners that with regard to territory of the Russian Federation, Estonia has never had such intentions, has none, and will have none. The talks relating to the border are connected with very complex legal problems. Under accepted international norms, the border between two countries is determined by an inter-state treaty on borders. At present we have only one such treaty, the document signed in 1920, the well-known Tartu peace treaty; the administrative border between the Estonian Soviet Socialist Republic and the Russian Soviet Socialist Federal Republic was fixed on the basis of various internal political decisions. This is a separate issue, and it does not have the nature of international legal norms which determine borders. This is where the root of this legal tangle actually lies.

I think that there can only be one solution here. It is necessary to put together a treaty between the two countries which would denounce the article which determines the border in a way that does not suit both sides; such a treaty should define and locate the border so that any tension is removed for ever.

[Ternevskiy] What orientation has Estonia chosen for its future movement?

[Kahn] The most important aspect of orientation is of course the economy, and this depends, first and foremost, on the Russian side, in my view. Unfortunately, in Russia at present, various political demands are taking priority. But if such a situation continues, then we will of course be forced to seek markets in other places and to supply our products to other regions.

Economic, Trade Relations Discussed With Azerbaijan

MK2402142693 Moscow KOMMERSANT-DAILY in Russian 24 Feb 93 p 10

[Marat Salimov article: "Talks With Azerbaijan. Abas Abasov Satisfied With Results of Meeting"]

[Text] In the first quarter of 1992 Azerbaijan will receive technical credits worth 10 billion rubles and cash to pay wages to the people. This was arranged at a meeting that ended late in the evening of 22 February in Moscow between Russian Council of Ministers Chairman Chernomyrdin and Azerbaijani Vice Premier Abas Abasov. At

the same time, the question of Russian oil supplies to Azerbaijan was not finalized. As promised in its previous issue, KOMMERSANT-DAILY today offers its commentary on these talks.

The Moscow talks between Viktor Chernomyrdin and Azerbaijani Vice Premier Abas Abasov cannot be placed in the category of ordinary meetings. In contrast to similar negotiations conducted by the Russian Government with the CIS states, this meeting has marked by the uncertainty of trade and financial relations between the two states, aggravated by the complicated economic situation in Azerbaijan. As Abas Abasov told a KOMMERSANT-DAILY correspondent, Azerbaijan's economy had developed a critical situation, which would be extremely hard to overcome without assistance from Russia. In particular, as the vice premier noted, owing to a shortage of cash rubles, the state's indebtedness to the population in back wages by the end of 1992 was standing at 7.5 billion rubles.

Owing to a shortage of funds to pay for the deliveries of raw materials and components, industrial output is falling dramatically. The most difficult situation, however, is in the oil-processing industry, which was designed to use oil from, among others, Russia. Traditionally, Azerbaijan has refined 6 million tonnes of Russian oil a year. Following cuts in supplies last year down to 600,000 tonnes, however, capacities were running at a mere 60 percent. Furthermore, Azerbaijan's economic problems, Abasov stressed, were complicated by the fact that Russia was using the highest export duties with regard to Azerbaijan because there was no free trade agreement.

All these questions were discussed during the meeting between Chernomyrdin and Abasov. As a result of the talks obvious progress was achieved in relations between the two countries. In addition to the technical credit of 10 billion rubles, Azerbaijan will in the first quarter receive cash money. The exact amount of the funds being made available, however, is not disclosed (Azerbaijan's need for cash in the first quarter of 1993 was 30 billion rubles). Moreover, during the meeting Chernomyrdin promised to resume Russian oil supplies in the amount of 3 million tonnes a year in exchange for oil products. The sides decided to return to the question of reducing the number of goods subject to customs duties after the list of goods involved was specified. Generally observers note that this visit by Abasov was a success and they believe that it can mark the beginning of expanding trade and economic links on a civilized basis. [Article contains following boxed text:

What Viktor Chernomyrdin and Abas Abasov Agreed on at Their Meeting in Moscow

- Russia will make available to Azerbaijan in the first quarter of 1993 a technical credit of 10 billion rubles in exchange for deliveries of goods;
- Russia will make available to Azerbaijan cash rubles for the first quarter of 1993 to pay wages to the

population (the size of this sum is not known, with Azerbaijan's need estimated at 30 billion rubles);

- Russia will make a decision to resume oil supplies to Azerbaijan in the amount of 3 million tonnes a year;
- Russia and Azerbaijan will resume negotiations on softening the customs regime applied by Russia to Azerbaijan].

South African President Seeks Improved Relations

LD2502094493 Moscow *ITAR-TASS in English* 0914
GMT 25 Feb 93

[By *ITAR-TASS* correspondent Sergey Kulik]

[Text] Capetown February 25 TASS—"We regard Russia as one of the leading countries of the world, which is bound to play an increasing role on the world arena. Therefore, the strengthening and improvement of relations with Moscow is among the priority directions of our foreign policy," South African President Frederik de Klerk told *ITAR-TASS* here.

The head of the South African state stressed that the first anniversary of the establishment of diplomatic relations between the South African republic and Russia, marked these days, "is a momentous date in the foreign policy calendars of the two countries". "These relations were frozen for many long years and, therefore, we are particularly pleased that they have not only been normalised, but are being developed successfully," he said.

Diplomatic relations between Russia and South Africa are known to have been established on February 28, 1992.

In de Klerk's opinion, particularly promising is cooperation with Russia in such areas as science, exchange of technologies, extraction of useful minerals, and agriculture. The president also stressed that South Africans displayed great interest in Russian culture, which they judge by the "contribution of Russian classics to world literature and music, by the brilliant achievements of the ballet companies of the Bolshoy and Mariinskiy Theatres".

Turning to South Africa's domestic policy, especially the "government's denunciation of the apartheid policy", de Klerk expressed the conviction that he would be able to implement everything earlier conceived already within the next few months. It is planned to resume multiparty talks on the future state pattern of South Africa not later than March. The establishment of a transitional executive council is scheduled for June. On the basis of the new constitution, which will come into force in September, this council will get down to the preparation and holding of South Africa's first general non-racial elections in March-April 1994.

Russia Envisions Mine-Clearing Role in Central America

MK2402135293 Moscow *KOMMERSANT-DAILY in Russian* 24 Feb 93 p 10

[Anatoliy Anatolyev report: "Russia To Clear Central America of Mines. Russia Will Join International Military Technology Action"]

[Text] A directive by the Russian president "On Russia's participation in mine clearing works in Central America" was forwarded to all those concerned on 23 February.

The move was in response to a request from OAS Secretary General J. Baeno Suarez to the Russian president that was transmitted via the Russian Embassy in a Central American state.

In the signed directive, the Russian leadership states its position of principle that Russia will take part in mine clearing operations in Central America. This primarily applies to Nicaragua, where extensive tracts of land cannot be used because they are covered with mines. It is believed in diplomatic quarters, however, that mine clearing operations will be carried out not only in Nicaragua, but also other Central American countries that are yet to be specified.

The Russian Defense and Foreign Ministries have been directed to conduct talks with the OAS and interested countries on the conditions of Russian participation in mine clearing operations in Central America, and the financial arrangements.

The directive also specifies the forms of Russian participation in the mine clearing process. Among them is the sending, on a voluntary, contractual basis, of Russian field engineering instructors from among reserve officers and men of the engineering troops to hold short training courses for Central American servicemen.

KOMMERSANT-DAILY experts note that Russia's participation in the mine clearing process in Central America could prove to be a major event in Russian foreign policy, since of late, Russia has generally stayed out of costly international military actions. At the same time, the directive is a logical continuation of the edict on the imposition of embargoes on arms deliveries. Both documents, *KOMMERSANT-DAILY* experts think, can be seen as attempts to cushion the pressure of military conversion on the military industrial complex, because the most important result of the mine clearing could be a considerable broadening for Russia of the military technology services market. This will obviously improve the position of the "dying" military industrial complex.

Moscow To Warn Stockholm Over Hijacker

OW2502123093 Moscow *INTERFAX in English* 1049
GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] The Russian Foreign Ministry is working on a note to the Swedish government following the recent hijacking of a Russian Tupolev-134 passenger liner. A high-ranking official from the European section of the ministry said to IF [INTERFAX]: "We want to make it clear to the Swedish authorities that the liberalism that might be displayed with regard to the hijacker Tamerlan Musayev might provoke new hijackings of Russian planes to Sweden."

Several years ago a Soviet plane was hijacked to Sweden. The criminal was not extradited but sentenced to two years of imprisonment in Sweden. Seven months later he was sent to a mental institution. There have been cases though when Sweden extradited hijackers to Moscow.

According to the diplomat, matters are complicated by the absence of an appropriate agreement between the two countries. "We proceed from the assumption that both Russia and Sweden have signed the Hague covenant on hijacking and will work for the extradition of Musayev on these grounds", he said.

If Musayev is extradited, the trial might be held in St. Petersburg where charges have been brought against him. After the trial he might be deported to Azerbaijan as an Azeri citizen for serving his term. "Strange as it is, but the Azeri side has not shown any interest in the case so far", the diplomat said.

Political Issues

Yeltsin To Submit Four Questions for Referendum

LD2402141793 Moscow Radio Rossii Network in Russian 1200 GMT 24 Feb 93

[Text] President Boris Yeltsin intends to submit four questions for the April referendum. According to the YEZHEDNEVNAYA GLASNOST news agency, this was stated on 23 February by Sergey Yushenkov, deputy head of the Federal Information Center. The four questions are as follows:

1. The president is the head of state authority: Yes or no?
2. The supreme legislative body is the Supreme Soviet: Yes or no?
3. Who adopts the Constitution: the Congress or the Constitutional Assembly?
4. To whom do you entrust the carrying out of reforms: the Congress or the president?

Poltoranin: Referendum 'Last Attempt' To Resolve Power Issue

MK2402113893 Moscow MOSKOVSKAYA PRAVDA in Russian 23 Feb 93 p 1

[From the "Opinion" column: "The Last Attempt"]

[Text] "The coming referendum is perhaps the last attempt to resolve amicably the issue of power in Russia," Mikhail Poltoranin, head of the Russian Federal Information Center, told an ITAR-TASS correspondent.

He stressed that Russia had already voted in 1991 for presidential power, and the people had given Boris Yeltsin the mandate to carry out reforms. The very fact of the national elections testifies that the president is the head of state, with all the consequences that this entails.

Mikhail Poltoranin said that "the government and the Supreme Soviet are two shoulders, as it were, that help the president perform his duties." However, one of the shoulders—the representative branch—taking advantage of the imperfections in the existing Constitution, gradually started to rise up, scoop up power, primarily financial power, and put pressure on the president. This is why Russia today has ended up with eroded power.

Mikhail Poltoranin said that the slogan "All power to the soviets" did not justify itself in Lenin's time. The Bolsheviks' stay in power showed that soviets are ineffective. It became necessary to reinforce the party apparatus urgently as the backbone of the executive. In principle, the CPSU was always a vertical line of executive power rather than a party. After Article 6 was taken out of the Constitution, and when Russia set off on its independent journey, it was the president who had to take over as this vertical line.

"But today, when the president's powers have been docked, and his own position has become virtually that of the British queen, there is no firm vertical line of

executive power," Mikhail Poltoranin stressed. He is convinced that the "congress, as an instrument of power, is not capable of saving Russia from breaking up, because it is the mechanical sum of local interests." The election of deputies based on a territorial, rather than a political, principle has inevitably resulted in deputies "lobbying for their own regions and being obligated to assert the interests of their own electoral districts, thus diverting part of the political power from the center to the provinces."

The logic of events makes it clear that the root of power cannot remain unoccupied, Mikhail Poltoranin continued, but the attempts by certain people in the Russian Supreme Soviet to move the president aside and to create their own "executive structure" will inevitably result in the undivided domination of that same mechanical sum of local interests, and will spell the most dangerous consequences, right up to civil war.

The head of the Federal Information Center believes that the coming referendum is "a normal, routine thing, a moment in history that many states have experienced." The most important thing is that this referendum should not be used to kindle conflicts.

Poltoranin Says Decision on Referendum 'Final'

LD2502125193 Moscow ITAR-TASS in English 1227 GMT 25 Feb 93

[By ITAR-TASS correspondent Anatoli Petrov]

[Text] Omsk February 25 TASS—"The country is faced with the omnipotence of the Congress of People's Deputies, which is not an effective instrument of power. It represents a mechanical sum total of local interests," Head of the Federal Information Centre Mikhail Poltoranin told a meeting of heads of press centres under regional executive bodies of the Russian Federation, which opened in Omsk, west Siberia, today.

Noting the huge role that these press centres could play in the implementation of the president's policy, Poltoranin moved to coordinate their actions, which would promote their active interaction with the local mass media.

Turning to the forthcoming all-Russia referendum, the head of the Federal Information Centre said: "We have no right to vacillate. The decision of the 7th Congress of People's Deputies to hold a referendum is final and unrevokable. And we, as the executive branch of government, are by duty-bound to implement it".

In Poltoranin's opinion, there is no state power as such in Russia today. "Due to the existing constitutional lopsidedness," he said, "we now have two legitimately formed governments: one headed by Chernomyrdin, which is a part of the executive system, and the second—under Ruslan Khasbulatov, which has assumed control over the Central Bank, the Bank for Foreign Economic Relations, the Bank for Foreign Trade, the Procurator's

Office, the property and pensions funds. Today, we are faced with the omnipotence of the soviets," Poltoranin stressed.

Taking the floor during the meeting, Assistant Head of the President's Administration Vyacheslav Volkov said the Congress of People's Deputies was "harmful to the state" and stressed that its fate should be decided by a referendum.

Yeltsin Decree Creates Two Consultative Bodies

LD2502104493 Moscow *ITAR-TASS in English* 1033 GMT 25 Feb 93

[By *ITAR-TASS* correspondent]

[Text] Moscow February 25 TASS—Russian President Boris Yeltsin created his two consultative bodies and eliminated several structures, including his staff of advisers and the Presidential Consultative Council, according to his press service which made public on Thursday a corresponding decree signed on February 22. The two new bodies are the Presidential Council and the Council of Heads of Administrations.

The Presidential Council holds its meetings not less than once a month and is chaired by the president. It works out proposals on foreign and home policy aimed at boosting reforms and determines mechanisms of implementing the strategy of the country's development. The council also ensures interaction of the president with political parties and public movements. Members of the council are appointed by the president and work in it for free.

The Council of Heads of Administrations is a permanent coordinating and consultative body at the Russian president who is its chairman. Members of the council are heads of Russian territories, regions, autonomous districts, mayors of Moscow and St. Petersburg, as well as the secretary of the Russian Security Council and the chairman of the State Committee on Nationalities Policy.

The council provides for interaction between federal and regional executive authorities and coordinates activities aimed at implementing the Russian Federative Treaty. It works out approaches to major issues of political, social and economic development of the country, provides for a balanced approach to and consideration of regional interests while preparing the most important social and economic decisions of the president.

Authorities Warned To Heed 'Voice of the People'

PM2502120593 Moscow *ROSSIYSKAYA GAZETA* in Russian 25 Feb 93 First Edition pp 1-2

[Aleksey Vorobyev report: "History Repeats Itself. Once Again in Manezh Square"]

[Text] We saw all this not all that long ago. A solid flow of people extending from Belorusskiy Station to Manezh Square, smiling militiamen in ranks, and crowds of city folk on the sidewalks encouraging the demonstrators

with both words and gestures. There were also many familiar faces, familiar from the celebrated democratic demonstrations that finally shook the foundations of the rotten communist regime.

Only Tverskaya Street looked different, adorned by the windows of foreign stores and offices smelling of Parisian scent and inviting with foreign inscriptions. Manezh Square was fenced off half way across by concrete blocks. This time the demonstrators' flags were red, too....

In other respects history repeated itself: Yesterday tens of thousands of Muscovites once again went to a demonstration to mark Defenders of the Fatherland Day.

This seems to have been the first time the opposition leaders, the leaders of the National Salvation Front and the Russian National Union, and Russian communists succeeded in gathering so many people together. It was also probably the first time the mood of the assembled people was so unambiguous, and the slogans specific and few in number. Alas, the demonstration to the glory of the Russian Army acquired a clearly expressed antipresidential nature.

"We had assumed that many people would want to express their attitude toward what is happening in the country. But we were still amazed at the massive response," Vladimir Isakov, one of the leaders of the National Salvation Front, remarked. "This shows you the worth of all the sociological polls on support for the president's policy. The powers that be must either bashfully ignore such large-scale protest actions, as though they did not happen at all, or resign."

The demonstrators raised aloft banners glorifying the CPSU and clutched portraits of Stalin to their chest. From the rostrum the disgraced General Varennikov called for ranks to be closed more tightly, while active Colonel General Achalov congratulated the army on the festival. Generals Sterligov and Makashov, Sazhi Umalatova, and Viktor Anpilov waited their turn, and other comrades of theirs crowded behind.

This announcement hung on the railings surrounding the square: "Modernization of Manezh Square. Stage one."

I thought—history really is repeating itself twice. Its present twist, which brought so many indignant citizens of the once great Russia to Manezh Square, will make the state's leaders reassess their policy and its results and look at the so-called "policy of reforms" through the eyes of the exhausted people and the humiliated body of officers.

It is possible to take different attitudes toward the organizers of demonstrations beneath red flags. It is possible to reject the conservatism of their demands and the excessive frenzy of the speeches. But the voice of the people, as it was believed in Rus from time immemorial, is the voice of God. It is too risky to ignore it for long. Both for the authorities and for the state.

Deteriorating Political Situation Analyzed

PM2402170993 Moscow ROSSIYSKAYA GAZETA in Russian 23 Feb 93 First Edition pp 1,2

[Aleksy Kolesov article: "Revolutionary Situation May Develop into Dictatorship"]

[Text] The political situation in Russia is unfortunately getting worse all the time. As an analysis of the main characters' conduct shows, this deterioration has been sparked off by the president's immediate entourage. At the end of last year three ministers and the president's state secretary warned about an imminent plot being hatched within the Supreme Soviet.

In January First Vice Premier Mikhail Poltoranin said in an interview in an Italian newspaper that he had managed to avert a coup d'etat while the ministers of security and internal affairs remained completely inactive. But recently the mass media reported that Sergey Shakhray had again begun to exert powerful influence on the president prompting him to take a tough stance.

Commenting on the recent meeting between Boris Yeltsin and Ruslan Khasbulatov, during which the president put forward the idea of convening a congress of people's deputies as soon as possible and at the same time of preparing for a referendum, Radio Liberty claimed: "Boris Yeltsin was acting according to a plan devised for him by Sergey Shakhray."

Unless the president and the Supreme Soviet manage to agree within 10 days, the chairman of the State Committee for Nationalities Policy believes, we should prepare for the referendum. Then, to the question of what will happen if the population does not go to the polls on 11 April, Shakhray replied: "If the referendum is ruined, we will then move entirely into an area outside the rule of law [nepravovoye prostranstvo] and in such an area the actions of the sides will correspondingly be outside the rule of law."

Actions outside the rule of law means the abolition of the basic constitutional norms and the banning of the legislative and monitoring activity of parliament with all the consequences that entails; in short, everything that is contained in the so-called draft edict of the president on suspending the Constitution in Russia and his Appeal to the People, about which the Moscow newspapers have been writing for several days now and which has still not been disavowed by the president. Putting it simply, this is a coup d'etat leading to dictatorship.

Who has the ability to commit "actions outside the rule of law" at the present time? Only those who have the power; in other words, the president. The army, the security service, and the Interior Ministry are under his jurisdiction. The legislature does not possess such force and so this does not apply to it.

Why is a close colleague of the president taking such a tough stance? The answer is simple. Shakhray is well aware that all recent public opinion polls show that at

best only a third of the voters support the president! And Professor Grushin's sociological service, which is distinguished by its very high level of accuracy, asserts that at present only around 20 percent of the population support Boris Yeltsin (which, incidentally, the head of that service reported at a recent session of the new Presidential Consultative Council).

So what is going on? The fact is that there is a near-mortal threat hanging over the supreme tier of legislative power. The bulk of the country's population has begun to understand that the powers that be are using democratic slogans to hide an almost total lack of management ability. They have lost the means to control not only the economy but also society—in almost all its spheres. In the Russian republics, oblasts, and the former Soviet republics around Russia the people have begun to put in power those whom the "RF-Politika" research center, now transformed into the "Strategy" center, contemptuously call the representatives of the old party nomenklatura.

If this trend of their return to office gains strength, they will come to power at many levels by legitimate means through elections. And if that happens there can be no doubt that they will quickly publicize all the violations of the laws that have occurred, cases of bribery, corruption, and excesses of power which the democratic authorities in Russia, Moscow, St. Petersburg, and other oblasts have committed in the past 18 months. It is not hard to see that the well-known building on Matrosskaya Tishina Street could acquire new occupants in that eventuality.

Strictly speaking this answers the question of who in our country needs a coup d'etat. It is not the old party nomenklatura. It is coming to power by legitimate means. It is not the legislature. It is wholly dependent on the will of the electors and is under their control because it constantly reports back (it would be better to say is answerable) to the voters for both its own actions and those of the executive.

The only ones who can suspend the constitutional norms are those who now have real power and who risk losing it, with all the consequences this entails, as I said earlier.

When a man is cornered he is dangerous. He is like a wounded wild boar and is capable of anything. But I do not mean the president. I mean his entourage, which is afraid that it is no longer the Congress of Deputies but the embittered people who could demand that the entourage be separated from the president.

Boris Yeltsin is wavering. That is evident from all his recent contradictory steps. He understands that he will lose the referendum if it takes place. But at the same time if presidential elections were held today he would undoubtedly win them (that is consistently shown by those same opinion polls). What decision should he make in such a complex situation?

Clearly, he has not adopted a final stance yet. In his TV address Boris Yeltsin announced that he had sent his draft constitutional agreement to parliament. This document sets out quite clearly the positions published a

week earlier by Sergey Shakhrai. For example, it proposes among other things transferring virtually all the national instruments of the management of society, including even the Russian State Committee for Statistics, to the control of a government accountable to the president. Officially the president also put forward the idea of convening a constituent (or constitutional) assembly to adopt the country's basic law. The Supreme Soviet and the Congress are left virtually without even monitoring functions on the most important questions.

Even on first acquaintance it is clear that at the moment there is no question of compromise here. It was natural to expect that the leadership of the Supreme Soviet would not agree to that. Which is what happened in Novosibirsk on Friday during Ruslan Khasbulatov's speech at the conference of leaders of organs of state and executive power at all levels.

The discussion on all these most important questions, therefore, is still going on. It should be noted, however, that all its participants are aware of the extreme shortage of time.

I should like to hope that the president will have the wisdom to stop those people close to him if they, seeing no way out for themselves, start prompting their boss to aggravate the political situation in the country. In the past 18 months Boris Yeltsin has demonstrated his strongest political qualities a number of times. Let us hope that the president's political wisdom does not fail him this time either.

This also applies equally to the leaders of the supreme legislature. Everyone must strive for compromise. It is no exaggeration to say that the national state interests of our common motherland—Russia—are dependent on both sides in this still verbal debate.

Burbulis Hopes for Independent Influence in Politics

MK2402135693 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 9, 28 Feb 93 p 4

[Unattributed report from the "Quotation" column: "I Have Just Started Out as an Independent Political Figure"]

[Text] "I have just started out as an independent political figure," Gennadiy Burbulis said at the opening of "Strategy," an international nongovernmental center for humanitarian and political studies that Burbulis set up. He is confident that his center will "considerably influence all the processes that are under way, and not only those in Russia."

"I am perfectly aware of my true value. No one else can do what I am capable of," he often says. Currently, through his informal contacts with people close to the president, he is continuing to "push through" his views on the need for "radical reform policies." He favors the idea of early elections to all structures of power,

including the president. It is noteworthy that Burbulis lays stress on his current "independence" and his distance from the president. This is the reason why he promises to avoid returning to government.

On the other hand, the vacuum that was left in the Kremlin by Burbulis' departure was immediately filled with a vengeance by Poltoranin and his people. Yeltsin's "Moscow team" has been more and more decisively squeezing out those from Sverdlovsk. The prospects for Gennadiy Eduardovich's career as a political leader are also quite problematic, given his image as "a great intellectual and a great bore." Nonetheless, Burbulis promises "finally to take up self-defense," to join selflessly the effort to set up a democratic coalition," and to write four books: "Power," "Love," "Freedom," and "Life." "One picture has been painted, one sonata played, and now it is time to try to create a more perfect work of art." This is how the man who quite recently was number two in the Russian hierarchy describes his immediate future.

Economic Issues

Chernomyrdin Addresses Cabinet Session on CIS Trade Ties

PM2202163193 Moscow ROSSIYSKIYE VESTI in Russian 19 Feb 93 p 1

[V. Nikolayev report: "The CIS Countries: From the Erosion of Trade and Economic Relations to a Common Market"]

[Text] Viktor Chernomyrdin, chairman of the Russian Federation Government, flew to Moscow from Tomsk in the early hours of the morning, and later on in the morning of the same day—i.e. yesterday—he was already presiding over the Council of Ministers Presidium session. The main issue for discussion on the agenda was "On Trade and Economic Relations With the CIS Countries." Although the report delivered by Vladimir Mashchits, chairman of the State Committee for Economic Cooperation with Commonwealth Member States, strayed outside the confines of the standing orders, the collegium members heard him out with great attention and interest. A man of experience, who since 1990 has passed through the hard school of reevaluating traditional forms of trade and economic relations between the former union republics, Vladimir Mikhaylovich Mashchits demonstrated his knowledge of the topic and an ability to place the right emphases and forecast the situation. Describing the most important priority avenues in international cooperation, the speaker dwelt on the causes of the emergence last year of three bloodless economic wars, as he metaphorically put it, across the territory of the former USSR. He had only to lightly trace the outlines of these recent squabbles for the specter of a bank war, invisible to most people, to arise before their eyes. The first half of 1992 passed under the sign of confrontation between 15 "monetary systems." The emergence of this number of banks was

caused by the diverse approaches to reforms in the CIS countries and inadequate understanding of the economic transformation of their states. A customs war went on in parallel to the bank war. As is well known, Russia's borders were not closed, and this dealt its economy some painful blows. Vladimir Mashchits also reminded those present of the prices war. He admitted that Russia has lost this war. Deliveries of output to the Russian Federation were higher in price than goods dispatched from Russia. He decided not to cite the size of these losses, since this cannot be denoted at the present time. At any rate, our country suffered a 1-trillion-ruble shortfall because of the price battle.

Mashchits' frank and honest report, reinforced by arguments, provoked a lively and just as frank debate. The tone of this debate was set by Premier Viktor Chernomyrdin, who keenly latched onto the report [soobscheniye], defining the further course of the discussion.

Essentially, the presidium session was devoted to searching for and elaborating a new policy in trade and economic cooperation with the Commonwealth countries in the present conditions, which in many ways differ from those which defined the trade backdrop to 1992.

As is well known, last year passed under the slogan of the single ruble area and attempts to create a new basis for interstate relations, a market normative base. Quite a lot was achieved.

At the same time many pressing issues of economic cooperation in the immediate foreign parts [former USSR republics] were left unresolved. "We have lived through 1992," Viktor Chernomyrdin commented. "Now it is important to see where and in what direction processes are developing." In his comments on the speech, in the concluding address, and in the debate the premier stressed one principal idea: It is important in politics and interstate political relations to take account of circumstances as they actually exist.

Several factors can be assigned to these circumstances. The first, and perhaps most important, lies in the fact that the premium placed on high-level interstate agreements has not been justified. Sector and regional factors, for example, are developing seemingly by degrees in side by side with this process. While talks are underway in the upper echelons, Viktor Chernomyrdin remarked, leaders of the country's major sectors—gas and oil workers, metal producers—reach agreement. So it is necessary to capitalize on this drive by enterprises of the same sector to unite into mutually advantageous unions based on common interests. In this way it is simpler to understand one another and come to terms. The clout of transnational corporations that has recently been on the increase also attracts attention.

What is the role of the state here? Members of the collegium see it as not hindering, but helping the development of processes which promote economic integration. It has already become clear to all that the territory

of the former Union, which was girded with interdependent technologies and packed with monopolist enterprises on which depend the futures of hundreds of other enterprises situated in various states of today's Commonwealth, is by no means a dead monster, but a living organism, which exerts its influence on processes in all countries. So it is necessary to think over interstate economic relations so that enterprises can live and work and conduct trade relations freely, not impoverishing, but strengthening and reinforcing, the state's position.

An urgent problem is linkage between economic and political cooperation. Indeed, what is to happen when, for example, there are wars going on in Georgia and Armenia, where enterprises operate on whose output the futures of hundreds of other enterprises depend? How are trade and economic relations to be built in this event? A new concept is needed, a new mechanism which would enable all these questions to be answered.

The economic situation in Russia and other Commonwealth countries is such that the main task of 1993 is for the Commonwealth to form not a ruble zone, but a common market. A new approach to the market of this Commonwealth enables us to see the most important aspect: The majority of goods which our country's enterprises produce are at the moment competitive precisely in this common market. What will happen tomorrow is another question, but today we must master this market properly, taking account of changing political and economic circumstances. The government's role, its chairman, Viktor Chernomyrdin, stressed, is to do everything to promote this policy's embodiment in practice, but not to the detriment of Russia's interests. Russia's role of "big brother," unfortunately, is still great, but not in the traditional understanding of this role—as a superpower—but in the sense that the debts of other Commonwealth states are increasing. The debate in the collegium revealed a new political economic theme, the theme of the radical interests of Russia in 1993. Vice Premiers Georgiy Khizha and Aleksandr Shokhin, and Ministers Andrey Kozyrev and Sergey Glazyev, speaking in the debate, submitted specific suggestions for the concept of a new policy for Russia's trade and economic cooperation with the nearby foreign parts.

The Russian Federation Council of Ministers Presidium confirmed the statutes on the Ministries of Economics, Foreign Economic Relations, and Social Protections which were presented to session participants by Vladimir Kvasov, leader of the Russian Federation Government Apparatus.

Government Approves Plan To Implement Economic Reform

LD2402141393 Moscow ITAR-TASS World Service in Russian 1210 GMT 24 Feb 93

[By ITAR-TASS correspondent Sergey Podyapolskiy]

[Text] Moscow, 24 February—The Russian Government has approved an action plan for implementing the economic reform in 1993. As is known, a draft plan was examined and discussed at the extended sitting of the Council of Ministers two weeks ago. The working group

under the leadership of Deputy Prime Minister Vladimir Shumeyko finished working on the plan, taking account of the proposals and criticism expressed at the sitting.

In accordance with the 40-page plan of action the implementation of a financial policy aimed at stabilization, reduction of inflation, and elimination of the reasons for it is one of the main directions of the government's actions. A goal has been set to contain the budget deficit within the 5 percent limits of the gross domestic product and to gradually stabilize the ruble exchange rate.

It is being planned jointly with the Central Bank to take measures to restrain the rate at which the money supply and credits rise within the limits of 7 to 10 percent a month by the end of the year, to carry out the restructuring of the country's economy for the purpose of ensuring its social orientation, and to raise the quality and competitiveness of Russian goods on the world's markets. The government plans to pursue a purposeful investment policy, to start work on clearing up and reorganizing insolvent enterprises, and to conduct an active industrial policy which envisages the rapid development of priority industries and production facilities.

In the foreign economic sphere it is planned to implement measures jointly with the Central Bank of Russia to ensure efficient currency and export control, to stimulate industrial exports, and to settle problems of foreign debt.

In order to halt the lowering of the population's standard of living and to restrain the rise in mass unemployment it was decided to intensify the social orientation of the economic reform by implementing stabilization measures.

Government Decree on 1993 Economic Action Plan

PM2402202593 Moscow ROSSIYSKIYE VESTI in Russian 25 Feb 93 p 1

[Decree No. 160 of the Russian Federation Council of Ministers-Government "On the Russian Federation Council of Ministers-Government Plan of Actions for the Implementation of Economic Reform in 1993," signed by V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government, and dated 23 February 1993, Moscow]

[Text] Having examined the results of the socioeconomic development of the Russian Federation in 1992 and the task to extricate Russia's economy from its critical state and to further implement economic reforms, the Russian Federation Council of Ministers-Government decrees:

1. That the Russian Federation Council of Ministers-Government Plan of Actions for the Implementation of Economic Reform in 1993 be ratified.

2. That, with a view to overcoming the profound economic crisis and creating a base for further stable economic growth in the country, the main tasks facing the

Russian Federation Council of Ministers-Government in 1993 be identified as being:

to implement a stabilizing financial policy designed to reduce inflation and remove the main causes thereof, bearing in mind the need to keep the budget deficit to within 5 percent of gross domestic product (with a growing proportion of funding in the form of securities), and to gradually stabilize the ruble exchange rate;

to adopt joint measures with the Central Bank of the Russian Federation to keep the rate of growth of the money supply and credit to 7-10 percent a month by the end of the year via the Central Bank of the Russian Federation official rate and quotas on credit, and also to encourage the population's savings;

to effect the structural reorganization of the country's economy with a view to ensuring its social thrust and boosting the quality and competitiveness of national output on the world market;

to implement a targeted investment policy;

to develop work to rescue and reorganize bankrupt enterprises;

to implement an active industrial policy, making provision for the preferential development of priority sectors and production units;

to continue the agrarian reform, and to stabilize food production;

to further implement the privatization program, improve its normative base, ensure the effective use of privatization checks, form a competitive environment on the main commodity markets, and support small and medium business;

to improve regional policy with a view to broadening the rights of republics within the Russian Federation, krais, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, to create the conditions needed for them to autonomously resolve problems that do not affect the interests of the entire Federation, and to enhance their responsibility for the course of economic reform, the improvement of the financial situation, and the implementation of social policy;

to protect Russia's foreign economic interests, ensure effective currency and export control in conjunction with the Central Bank of the Russian Federation, promote industrial exports, regulate concessions provision in foreign economic activity for regions, sectors, and individual enterprises, and settle foreign debt problems;

to safeguard Russia's economic interests in relations with the former republics of the USSR, and to support interstate (transnational) production and commercial structures.

3. That, with a view to halting the decline in the standard of living of the country's population and curbing the increase in mass unemployment, the social thrust of economic reform be stepped up by implementing stabilization measures and industrial and financial policy.

4. That the main guidelines of regional policy, including the question of the rights and duties of central organs of state administration and organs of executive power in the regions, be examined in April or May 1993 at a session of the Russian Federation Council of Ministers-Government in accordance with the requirements of the Federation Treaty.

5. That the deputy chairmen of the Russian Federation Council of Ministers-Government, ministers, and leaders of state committees and departments organize the work of implementing the Russian Federation Council of Ministers-Government Plan of Actions for the Implementation of Economic Reform in 1993 in accordance with their powers, consider questions connected with this at sessions of the collegiums of ministries, state committees, and other central organs of state administration, and determine specific coordinated measures to resolve the set tasks.

6. That organs of executive power of republics within the Russian Federation, krais, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg analyze the results of their regions' socioeconomic development in 1992 and, on the basis of the Russian Federation Council of Ministers-Government Plan of Actions for the Implementation of Economic Reform in 1993, formulate measures and organize work to implement economic reforms in their regions, paying particular attention to the fulfillment of the privatization programs, including the mass holding of check auctions, the development of enterprise and new forms of economic activity, increasing the population's social protection, and maintaining its standard of living.

7. That V.P. Kvasov, leader of the apparatus of the Russian Federation Council of Ministers-Government, supervise the implementation of the measures outlined in the Russian Federation Council of Ministers-Government Plan of Actions for the Implementation of Economic Reform in 1993.

That the Working Center for Economic Reform under the Russian Federation Council of Ministers-Government be made responsible for systematically collecting and analyzing information pertaining to the course of fulfillment of the Plan, and summarizing and submitting it to the Russian Federation Council of Ministers-Government.

8. That the Monitoring and Supervisory Council under the Russian Council of Ministers-Government examine regularly the course of implementation of this decree.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government

[Dated] Moscow, 23 February 1993

Vice Premier Fedorov Interviewed on Economy

LD2502012093 Moscow Teleradiokompaniya
Ostankino Television First Program Network in
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[Interview with Russian Vice Premier Boris Fedorov by correspondent Yuriy Mironov, including introduction with recorded clips of Russian Central Bank Chairman Viktor Gerashchenko and Fedorov at 11 February Russian Government session; place and date not given; from "The Market: Time to Choose" program—recorded]

[Text] [Mironov] We have already reported on the expanded session of the Russian Government which confirmed the government's action program for 1993. Let us stress once again that this was not a parade of accord but a tough discussion about ways for making progress towards a civilized market, at times with differing views of the methods and tactics of this progress.

[Gerashchenko] ... hopes that only by a strict monetary policy, by the approach that via money which is allegedly the measure of value in our country we will be able to resolve all price and cost disbalances in society is, in my view, a mistaken approach. We should adopt a normal, pragmatic approach to the problems which we come up against every day, an approach which, I would say, we heard advocated in the speeches of very many representatives from the localities. [Video cuts to show Fedorov speaking at same meeting]

[Fedorov] At present few people understand monetarism. I suggest that the Academy of Sciences hold a special conference to explain once and for all what monetarism is so that it is not blamed for everything, particularly since we have never had it in our country. It must be said that at present two ideologies are fighting it out. Either we move towards an efficient economy where money is money or else we try to save what we had before. We already tried at one time to abolish money. Now it is very strange to hear from the chairman of the Central Bank that the ruble is quite unimportant here. In the market economy it is the ruble which should play the primary role. [Video cuts to a still of Fedorov while the caption reads: B.G. Fedorov was born in 1958. He is an economist. He was finance minister in Silayev's government. In 1991-1992 he worked in the European Bank. From October 1992 he was director of the World Bank from the Russian Federation. From the beginning of this year he has been vice premier of the Russian Government.]

[Mironov] Incidentally, Fedorov left Silayev's government in protest of the renunciation of the 500 Days program which he supported.

[Video cuts to show Fedorov being interviewed by Mironov.]

[Mironov] I was lucky enough to be present at the expanded session of the government on the 11th, and I heard your speech which was one of the most brilliant speeches at this expanded

session. It was an uncompromising speech, and in connection with this I would like to ask you the following question: Our life is permeated with contradictions. Thus, we have entered the market and, for example, I am going to take the liberty of citing an example which is close to my heart, television is taking the lead in the development of market relations. Advertisements, advertisements, advertisements, advertisements, advertisements—because we must earn money in order to survive. What is permissible in prosperous countries, for example, these advertisements, this abundance of advertisements, in our country which has been ruined by the cataclysm of the transitional period is, in my view, simply intolerable. In a poverty stricken country they tell you to purchase cars for freely convertible currency, luxurious foodstuffs for freely convertible currency. On the one hand, if we have entered the market there must be advertisements. But, on the other hand we are living through such a sensitive period that these advertisements are sowing only annoyance in society.

In your speech I did not see any response to the contradictions in our life which do exist, even though, I repeat, the speech really was brilliant.

[Fedorov] You see, I did not respond to these contradictions because there are quite specific problems which the economy has come up against and what you mention is only a reflection of those deep-lying processes which have been developing over decades and which have perhaps accelerated in the past five or six years, the period of so-called perestroika. First, there is the fact that the country's economy has plunged into a state which is characterized by high inflation, when there is flight from the ruble, when there is massive dollarization, when in connection with the distortions in the economy vast masses of people remain isolated from these goods and from the market, when in Moscow we already have about 200 outlets selling goods for foreign currency and the basic mass of the population has become second-class citizens, when, despite all the increases in pensions and wages, for the majority of people in the budget-financed sphere, they lag behind the level of inflation.

This means that the country is getting deeper and deeper in the abyss of economic crisis, the abyss of high inflation when the population's, when people's savings have disappeared, when investments made by enterprises have practically disappeared, when industry is not renewing itself, when labor productivity is constantly falling. We have arrived at the point where, it seems, we must at last make a choice after all. Are we going forward, will we stop and drown, or we can go back?

On the 11th that government session you just mentioned adopted a government action program for this year, which lays down precisely the specific tasks for our economy, our economic policy. The main task today, and everybody in the country should know this, is that we really are at the point where hyperinflation will lead to the complete collapse of the financial system, when there will be no three-month credit, when hard currency will leave the country, because only a crazy person can

keep his money in the bank when it is being devalued, and so on and so forth. We must take steps today to halt this process. This process is linked with very specific things, like the fact that the state is living beyond its means. While everybody knows how much pay he receives, what he has until next payday, for some reason the state thinks it can live beyond its means regardless of the fact that it is cutting off its nose to spite its face. Well let's say printing them, and by that means push all this devaluing money into the economy. [sentence as heard]

On the other hand we see a situation where the decline in industry, almost 20 percent last year let us say, has not led to workforce being released, has not led to any enterprises being closed, has not led to energy consumption, for example, being reduced. That is, it is obvious that labor productivity is falling catastrophically. The economy is becoming less and less efficient. Everything we pour in becomes less and less significant for the economy, and basically a vicious circle is formed. The more we pour money into the economy, via the budget and via Central Bank loans, the less efficient is the economy, the higher inflation, the worse people's lives.

Everyone should realize that. The time has come to take concrete measures. We should stop giving away all those endless credits which are not supported by proper collaterals or solid business proposals. We should take concrete measures to limit remunerations for those people who receive business grants from the state. This is because all the audits today demonstrate that in a great number of cases this money never reach those who really need it. This is an uncontrollable process which leads to the country's disintegration. Look at the enormous gap between the salaries in the budget sphere, that is, of those who are in receipt of the state federal budget, and those working in production sphere. The budget sphere is still asking for less and receiving less. The production sphere gets the most because we keep on hearing everyday that the cows are dying, ships are moored, factories do not work; we are pumping more and more money into these. The second half of last year was a period of compromises with no harsh policies in general. Now you have the results: Do you see any increase in production or any improvement in the quality of life? Inflation is gathering momentum, investments are getting smaller, and production is declining. But we are being told again and again: Give us a few million here and a few million there. There is absolutely no guarantee that these millions will bring any returns.

As I was saying it to the government: This could be compared with a situation where we are giving a man, say, 10 rubles by increasing his pension and immediately take 20 rubles from his pocket through inflation. This should be somehow limited. The limits should be sufficiently concrete and the government policy is to be targeted to this. This will mean that interest rates for credits should not fall below the market ones. If there should be credits with preferential rates at all, they should be given on a very limited scale and only in the priority cases, only where it will bring good returns

and concrete results, and where the state and the people receive something from this. This means that the additional resources which will thus become available could be used for the needs of society so that to help people and not the enterprises which carry on producing just for production's sake. We have plenty of such giants which are standing practically idle all the time, their warehouses full of machinery and other production which nobody wants.

There are other specific problems where because of the lack of control over giving out these very same loans to everybody, for example the so-called technical loans where we effectively subsidize the former republics of the Soviet Union, and effectively the same policy continues, that Russia, as it were, is the richest and can afford this kind of subsidy. Again, there is practically no control and it does not do anything to improve trade or our standard of living. Let's take for example Turkmenistan, you have a situation where in 1992 each inhabitant received a subsidy of 35,000 rubles per person from Russia. Is this in our national interest? Will the ruble, the national currency of Russia itself, be supported or defended? We can carry on giving it out, we can stay sweet, we can stay in effect beside a broken trough, helping, wilfully or otherwise, those who basically do not want to set up a ruble zone in a human manner, do not want to set up an ordinary economic union.

Basically we need to take concrete decisions here. The government does not intend any longer to accept the situation where we spend our money pointlessly, strengthening inflation. Let us say that these credits to former republics of the USSR are practically a factor of 20 or 25 percent of our inflation, that is a quarter of all inflation in Russia is connected with the fact that we are giving money to them, supporting the so-called economic links, even though it is certainly not to our benefit. The same thing applies with the state budget. Because the huge numbers in parliament put pressure on the government, the government simply lost control over this process a few times last year. The latest suggestion by the Supreme Soviet is adopted, the next million million flood out, and there is no control over it. It means a drop in the ruble exchange rate, sharply. It means growth in inflation as well and goods disappearing. It means a process repeating itself many times over. We are constantly arriving at some sort of extreme, that is, there is no consistent policy. Although it is immediately obvious, just as in any other country, it should be by quarters, by months, a limit to this lending, precise orientation of budget policy, in order that bodies of legislative power should not attempt to take decisions for the bodies of executive power, otherwise there will be no audit or control or considered policy.

So we recommend, in these decisions adopted by the government, setting up precise and strict control over all routes by which this devaluing money floods into the economy. Either we beat this wave of inflation down

today, or everything will collapse further and then basically no government will be able to hold power for more than a few months because of the magnitude of the permanent crisis.

[Mironov] From your point of view, the main motor of the market economy, has it come into action or not? Or are we still working with the starter motor?

[Federov] Whether we like it or not, the market economy already exists—in a wild form, uncivilized, there is much we do not like. It is far from consisting of kiosks on the streets, it consists of the fact that the directors of enterprises who come to the government no longer talk about material and technical supplies, they are forced to supply themselves, to set wages themselves and take decisions themselves on how much to produce. State instructions practically do not exist. This means that the market economy is already under way. It is another matter that it is under way with groans. In the majority of cases those same enterprise directors have not adapted and do not know how to act in these conditions. Therefore some adapt after a year or more, and some evidently will never adapt because they simply cannot. In many cases production is not continuing because simply by handing over into the hands of directors and collectives without capital, without any experience, without any knowledge of the real market, it is very difficult to count on speedy success so that these people could quickly set up production so as to make it effective and competitive and so on. But nevertheless market relations have already taken off in the country and it is the state's task to transform them into some kind of civilized form. It is not the state's role to work on production in kilograms, tonnes, and so on, although at present we are trying to do this for the time being. It has to work on regulating and financial policy so as to either encourage production or restrain it, to limit inflation, to watch how capital is entering the country or leaving the country, to create conditions for investment, including foreign capital.

[Mironov] The civilized aspect of the market here is to a considerable degree spoiled by the grimace of the ruble-dollar rate. At the last trading, they say, it was necessary to pay 576 rubles for a dollar. Does the government have a clear understanding of what to do to somehow correct this situation? It is after all ruinous for the country—and humiliating. It does not correspond to the genuine correlation of the potential economic forces in the U.S. and our country.

[Federov] For statistical purposes, this rate should not be used, and many countries do not use the rate for statistical purposes, they use a special notional rate, because parity in the purchasing power of currencies, that is to say, comparison between the levels of prices, is something completely different.

Regardless of whether or not people like this rate, it reflects an absolutely concrete reality. It reflects the state of this currency market, it reflects the competitiveness of our economy, it reflects customs duties in the area of

foreign trade, it reflects the system of control over hard currency, or rather the almost total absence of this. It reflects the confused tax system, when many types of taxes here have either been deprived of all force and are meaningless, and under half of the dues are collected from them, or on the contrary, they take money without justification. It reflects our reality. In this sense, it is an excellent rate.

Therefore, one can see what is happening in the country every day by looking at this rate. And when it falls, this means that there has been yet another outflow from the economy. That means that no one exercised the system of hard currency control. That means the market is not developed. So what needs to be done?

We prepare resolutions on the development of the hard currency market, but here again, the government, for example, is not the body which controls hard currency. It is the Central Bank that does this, according to the law on the regulation of hard currency.

We will make many recommendations. But here is something elementary. The ruble must be a currency. That is so, isn't it? That means that it should be accepted in all shops. It means that foreigners—non-residents who arrive in this country—should be able to open ruble accounts, to use the ruble as a currency, for example, to purchase goods, and should even be able to take part in privatization. We have been frightened for 10 years now that someone will buy us all up. I would be interested to see if they bought up anyone at all. While the ruble remains a non-currency, there will never be a normal exchange rate. Why aren't non-residents even allowed to sell currency on this market? Why is the market organized in such a way that in actual fact it is an auction rather than a market? It is an inter-bank market, which is how it was set up. We are told that there are not the means of communication. Excuse me though, but currency markets existed in the nineteenth century, and there were no communications systems there. There weren't even telephones then, but many things can be done.

The rate reflects specific things. We will propose these resolutions, we will put forward a dozen recommendations to the Central Bank on what to do so that the market becomes a real market. Therefore, there are the purely technical issues of the development of the currency market; there is the tax issue, import and export tariffs; there is the system of currency control, but primarily, there is a severe money and credit policy.

The rate falls primarily because there is an outflow of capital, a flight of capital, a flight first and foremost away from the ruble, because, as I have already stated, it is very problematic when the money you are keeping in the bank loses its value. Therefore, there is a flight into real assets, cars, property and so on. And second, there is the flight into foreign currency. There are probably billions of dollars in the country simply in the form of banknotes. Plus the billions which are in accounts overseas. Every dollar which goes beyond the cordon, or every ruble which has turned into a dollar, means a fall in the rate of the ruble.

If, in our country, the Central Bank's interest rate is only half the market rate, there can be no high exchange rate for the ruble and it cannot be strengthened. There are therefore concrete explanations for everything, absolutely concrete and absolutely simple explanations, which will finally be confirmed by the world's central banks and perhaps all our central banks do not realize this. It is therefore necessary simply to make these decisions and to do this. Then there will be a normal exchange rate, which will more or less correspond, though it will never correspond fully, to the parity of the purchasing power. But attempts are now being made to artificially achieve a fixed exchange rate. We will be an ostrich, yet again sticking our head in the sand and pretending that everything is okay.

[Mironov] Well, could this happen?

[Fedorov] Yes, of course.

[Mironov] In the course of this year?

[Fedorov] Naturally, the government will be opposed to it, but there are certain forces for whom it would not be a bad thing to return to a fixed exchange rate, and the continual provision of preferential credit at five percent, with inflation running at between 1,000 or 2,000 percent is a very original system, an absurd one, of course, but there are many supporters for what is taking place. They are the people who want to revive special banks and to return once again to a small number of banks and people who would like to fix prices. How would inflation be fought? It would be done in the most direct way. Let us, they say, somehow consolidate and that will be a way of fighting inflation. Well, we have already been through this, have we not, with empty shops, lines and so on? There cannot, therefore, be any half-baked decisions. Unfortunately, we have so far been moving toward the market, making these compromises. We have thereby been delaying the transition to a real market. It is simply a question of time. If certain people are ready to creep along for 10 or 20 years through this chaos, well, that is okay if they like that. However, I believe and am firmly convinced that the more quickly we complete this transition, the quicker we can avail ourselves of the fruits of the market. One cannot make a continual mockery of people by promising them a future without attempting at the present time to bring that future closer.

[Mironov] Boris Grigoryevich, every compromise is nevertheless a response to real contradictions that exist in life. If we—our ship and our economy—have followed a certain course for 75 years, it is difficult to immediately execute a turn of 180 degrees. It is better nevertheless to do so following a more or less smooth arc. Am I not right?

[Fedorov] Naturally, no one can overnight achieve convertibility and so on, but on the other hand, if you have to cut out a tumor, do you take an hour to do so or do you take five years? To do it slowly amounts to torture in normal language. Either we mock the people and torment them by attempting to invent some kind of special

transition, or else we, in a sensible space of time, implement those measures that exist and move ahead.

It is no secret, in general, that...[changes thought] They say that there is no experience for such a transition and so on. But, at least, very similar experience did exist. There is hyper-inflation in dozens of countries. There is the experience of Eastern Europe—there is Poland, Czechoslovakia, and Hungary. It is experience at varying levels, but nonetheless this experience does exist and many of the problems which today we are experiencing, many countries no longer experience because they began earlier, and perhaps they followed a more precise route, although they have enough problems of their own.

Therefore, the question of how quickly or how slowly... [changes thought] It is necessary to act sensibly, according to the situation. But if a certain measure can be taken today, it should not be put off until next year. Either we work today or else we pretend to work and then Russia will become sort of raw material appendage of the rest of the world. This concerns Russia's national interests. Efficiency, so that we do not lose our resources by trading with other states at some unthinkable prices, so that we try to find our niche on the world market, so that the aid which we may receive—say, from international organizations or from the West—goes on very specific things, so that everyone can see what, specifically, has been done.

At present, on the majority of questions, we have a rather hazy concept—there is no information—and in essence no one in the country knows what exactly has happened. And today the question for 1993 is whether we'll go in for these compromises, whether we'll make the same calculations: You say wages have not been paid for a long time, we'll give credits for this, we'll give in to this pressure, we'll hand out preferential credits, and we'll be very kind and everyone will like us. Everyone likes the Central Bank, it gives out cheap money.

But what is the result? Even more poverty, even more dirty streets, even more corruption, crime, the collapse of the economy and enterprises will come to a halt regardless. No matter how much they get hold of for their wages, they will come to a halt regardless, because no one will want their products; because it is necessary to determine clear structural priorities about what we can produce and what we cannot, who should be supported and who should not.

It is quite evident that a detached economy, which existed for 70 years as an isolated, as it were, subsistence economy, when it opens itself up and tries to integrate itself into the world community should lose some of its industry—that part which is inefficient, which is unable to be competitive and so on. It is better to admit this to oneself today than for us to have 20 or 30 million unemployed tomorrow. Or else we bring in ration books again and bring in a harsh system and patrol the streets. People must decide what they want. Our choice is quite clear.

Foreign Economic Leaders Comment on Economy LD2502032393

[Editorial report] Moscow Russian Television Network in Russian at 1900 GMT on 25 February broadcast the 55-minute pre-recorded program "Benefit" [Prok] in the "Business and Politics" series. Reception is good. Its format is a studio discussion intercut with musical or cartoon sequences and occasional brief video reports profiling commercial firms or detailing business trips. The program illustrates the multiple problems facing the Russian export drive. The studio discussion, heavily edited and fragmented by the various video insets, is chaired by correspondent Vilen Semenovitch Vizilter.

Vizilter presents the thesis that the best name for the old Soviet Union is the "Kingdom of Crooked Mirrors," in which everything—economics, politics, morality—is deformed. People became used to this distorted view of reality. Now that the mirrors have been shattered, people are having to adjust to the true image of the world.

The major contributions are made by Leonid Borisovich Gurevich, chairman of the Russian Federation Supreme Soviet's subcommittee for foreign economic relations, and Sergey Yuryevich Glazyev, Russian Federation minister of foreign economic relations.

Gurevich begins by saying: "I cannot agree with that thesis, Vilen Semenovitch. I cannot agree that the mirrors have been destroyed. Our society is still a long way from the ideal that is sometimes depicted by the media." He goes on: "There are still many mirrors that twist and distort. But, on the other hand, if we look very closely, we can see a good portrait of ourselves, and it does not yet instill optimism, as we all know." He admits that many mistakes have been made in the drive to create a market economy. But there are positive features in the liberalization process: "There is the fact that an entrepreneurial class really has begun to appear in our country, in this respect—and I'm looking on the bright side. Many directors, even at state enterprises, have felt the pulse of the entrepreneurial artery and have begun, as it were, to work quite well. Quite a good atmosphere is being created. But the regulation of this process is today, in my view, well... inadequate is not the word: in some respects, it is totally absent."

Glazyev then makes his opening statement: "Liberalization led to what it should have led to—the granting of freedom. Life has become, in a sense, pleasanter: everyone now has the right to choose. Each person may export what he can and import what he likes, if he has the money. But life has become far more expensive."

Vizilter adds: "And more difficult."

Glazyev says: "And more difficult, of course."

Later, after a sequence about a would-be entrepreneur who had the idea of selling Cypriot lemons in Moscow, Glazyev says: "We no longer have the more or less clapped out infrastructure, geared to a foreign-trade

monopoly, for promoting our goods on the external market that presupposed the presence of our powerful missions in the major countries, working on behalf of the state. We now have competition between exporters as well. The result of this, of course, is a fall in the prices of our traditional export goods. In other words, on the whole, if one judges from the point of view of the economic indicators, it has been necessary to pay for freedom, in this particular case, with a decline in the effectiveness of foreign trade. But, on the whole, freedom of choice has also generated positive results. First, imports have met consumers half-way."

After more on the Cypriot lemon saga, Glazyev reappears and says: "Freedom is good for someone who is strong and, as you said, when we lived in crooked mirrors, we didn't even know who was strong. Now that we are gearing ourselves to the prices of the world market rather than the prices of the domestic market, it suddenly becomes unexpectedly clear that those we regarded as strong are, in fact, hopelessly sick—in whole sectors of our industry: motor vehicle construction, tractor construction, even oil refining, which produces, at world prices, less than it consumes. Virtually any sector or any major enterprise that was previously considered to be the flagship and quite deservedly, as it were, sported insignia of distinction, doing what society expected of it, now turns out to be incapable of making ends meet in the new price system."

This is followed by a contribution on the Hungarian experience from Seles Gabor, president of the Hungarian union of industrialists and general director of the Vid-eoton joint Russian-Hungarian enterprise.

Later, the topic of the corruption of enterprise managers arises, and Glazyev comments: "The fact that today we are seeing a colossal upsurge in corruption and the export of capital is a natural consequence of the fact that our managers are, in general, not responsible for the conduct of their enterprises and vice versa. In other words, they demonstrate totally what is usually called opportunistic behavior. They are often more concerned with their own prosperity than with the prosperity of the enterprise."

Two industrialists and a financier present their views on the state of the economy. Glazyev again makes an observation: "Here we have touched on the really fundamental question of what the environment should be like in order to make it possible to liberalize our foreign economic activities normally. Liberalization must be combined with transferring the economy on to the rails of private enterprise. I stress that here there may be quite a large proportion of state participation, but, even so, state participation within the rules, as it were, of private enterprise. That's the first point. Second, in order that the subject behaves responsibly in the market, he must be afraid. That is, he must be afraid that the laws by which he is working will be implemented, and that the state that looks after these laws will be able to implement them. So liberalization is, of course, good when there is

a strong state and reliable legislation. Both current legislation and executive power are rather weak, and that is why liberalization is now accompanied by such negative effects. But I think that these difficulties, as it were, of the growth of the entry to liberalization will soon be overcome."

At a later stage in the program, indignation is voiced at some of the recent government decisions on taxation and customs duty: "Who thinks them up?" an industrialist asks. Gurevich says: "Well, you know, I quite agree. Even I, as a representative of parliament, am now trying to find out who thought up the 20 percent export duty on cut diamonds. I was phoned by the director of the Smolensk diamond-cutting works, where 52 percent of cut diamonds are made on the territory of the former union. He was in a panic. His enterprise had immediately become a loss-maker. He was simply on the verge of ruin at a stroke, you understand, whereas he had a profit of several tens of millions of dollars last year, though I don't remember the exact figure. During that time, not a single stone had been exported. It had become unprofitable. It's not hard to see who benefits—those who buy uncut diamonds from us, De Beers, for example, you understand. Who actually issued that order? We've been trying to solve this problem for three weeks now—several deputies, not just me, and we just can't do it."

Seles Gabor makes the point that Russia will forfeit large-scale foreign investment if the present instability persists. Gurevich disagrees: "I don't agree with our friend from Hungary that, if we prolong this instability a bit longer in time, we will deprive ourselves of all investment. Believe me, we will not deprive ourselves of it. Our market is an objective necessity for development, including the development of the Western community. I quite agree that stability is the main factor in foreign economic activities too. Yes, I for one think that it's better for rules to be bad, but unchanging."

Soon after, Gurevich comments: "Please remember that, in Japan, poor Bush fainted. Why? From happiness. Well, they said, because of flu. Right in the middle of a television broadcast, like the ones we have. He regarded as a great achievement the fact that he had reached an agreement to sell 20,000 American cars on the Japanese market. Presidents are in the business of selling, not directly, of course, but they enable their country's exports to break through into foreign markets."

Glazyev follows this up with: "One cannot take seriously any breakthrough into the world market when you have 2-3 people working in the marketing department, and they know about the world market only from newspapers and magazines. Naturally, therefore, complete liberalization will automatically mean a switch to world market prices in domestic trade."

Referring to the world market, Gurevich has the last word: "We are not awaited there with open arms. It must be conquered. Substantial resources must be invested in it. We must adopt a very serious attitude toward it. So

far, unfortunately, I can make the observation that there is still no such clear, precise program stating what our potential is and where special efforts must be made to devise tactics and strategy in that respect. We are only just creating it. And we need to create it as quickly as possible, bearing in mind the fact that we do, nevertheless, have vast potential."

Chubays on Refinements to Privatization Program
LD2402152093 Moscow ITAR-TASS in English 1426 GMT 24 Feb 93

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow February 24 TASS—"We will not agree to any changes in the ideology and principles of privatization, we simply want to give new rights to regions in carrying out these principles," said Russian Vice-Prime Minister Anatoliy Chubays.

Commenting on President Boris Yeltsin's decision to withdraw from the parliament a draft law on privatization vouchers and the state programme of privatization for 1993, Chubays said that the move was initiated by the State Property Management Committee.

"We saw the remarks made by people's deputies and representatives of regions concerning the broadening of rights of subjects of the federation, territories and regions. We have decided that it would be more reasonable not to stage any battles in the parliament and around it, which would be right, but on the contrary to seize the initiative, meet deputies' proposals halfway and finalise the documents," Chubays said.

He warned against panicking about the withdrawal of the documents. "There is not even the slightest reason for panicking since laws on which privatization is based are still valid and will be valid until new laws are adopted. The whole legal basis of privatization will be preserved and our task is to refine the documents to submit them to the parliament without slowing down the dynamics of privatization," Chubays said.

Asked if the withdrawal of the draft laws will affect the price of the privatization voucher currently hovering around 4,730 roubles, Chubays did not rule out the possibility that "current events will generate certain anxiety and the price may go down."

"But in addition to form quick factors there are also more crucial and fundamental factors on the market, which determine the price of the privatization voucher. The major of them is the real beginning of mass voucher auctions," Chubays said.

He said that in the near future there may be an outbreak of "panic on the voucher market" in connection with a sharp increase in the price of the privatization voucher after "we announce what exactly will be offered for sale at voucher auctions in the next few days."

Gerashchenko Suggests Special Investment Rate for Ruble

OW2402171693 Moscow INTERFAX in English 1655 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Chairman of the Board of Directors of the Central Bank of Russia [CBR], Viktor Gerashchenko, maintains that if the Russian government decides to involve foreign investors in its broad privatization campaign, "the speculative ruble-to-dollar exchange rate taking shape at the currency exchange will become suicidal for us," he said. Therefore, it would be possible, as an option, to introduce a special investment rate, Viktor Gerashchenko said in an exclusive interview for Interfax on Wednesday [24 February].

Viktor Gerashchenko evaded a direct answer to Interfax' query about the prospects for Russia to introduce its own national currency, remarking that "everything is possible in our country." The CBR chairman does not think it would be possible to curb the inflation rate in the first quarter of the year. He also fears it would not be possible to slash the budget deficit to 5% of the GNP by the end of 1993 (as the RF [Russian Federation] government is planning - Interfax) Viktor Gerashchenko was highly critical of the government's financial exploits, blaming it for failing to work out a program of structural changes in the national economy in 1992. Price liberalization, while the monopoly on the nation's productive potential continued, only resulted in price hikes.

The CBR chairman said he was not familiar with the Cabinet's structural changes for 1993, adding, however, that he was aware of the government's intention to allocate 400 Bn [billion] rubles for investment purposes. In the meantime, Mr Gerashchenko had to admit that it won't be easy to obtain the funds to implement investment programs. In his opinion, commercial banks are not going to take part in this process unless they are accorded special privileges, such as, for example, low-interest funds provided by the Central Bank.

Mr Gerashchenko reasons that the time has come for Russia to hold serious discussions with those CIS countries which have not abandoned the ruble zone. "Their aspiration to stay within the ruble zone also presupposes certain commitments on their part," he said. In his opinion, "the decisions passed by the Central Bank should be mandatory for all of ruble-zone member countries," he opines.

Deutsche Mark's Rapid Rise May Destabilize Russian Market

LD2402124393 Moscow ITAR-TASS in English 1218 GMT 24 Feb 93

[By BUSINESS-TASS correspondent Vadim Yegorov]

[Text] Moscow February 24 TASS—The German mark rose sensationally high at the Moscow Interbank Currency Exchange (MICEX) on Wednesday and was traded for 418 roubles, a 78-point increase compared to the previous tender. It even exceeded the black market rate.

Although the MICEX does not quote the official exchange rate of the mark, experts fear that its rise may destabilise the Russian hard currency market by bringing up the conventional rate of the dollar to 678 roubles, compared to the current 576 roubles. The dollar-mark rate is 1.622 if calculated according to the official rouble exchange rate.

Glazyev Favors Help for Businessmen

MK2402120893 Moscow KURANTY in Russian
24 Feb 93 p 4

[Extracts from VIP Club speech by Sergey Glazyev, minister of foreign economic relations, noted by Anatoliy Pankov: Sergey Glazyev: "Our Entrepreneurs Must Be Helped"]

[Text] At the latest session of the VIP Club, whose membership consists mainly of prominent entrepreneurs, there was a very keen discussion of foreign trade affairs. The entrepreneurs' chief "opponent" was Sergey Yuryevich Glazyev, minister of foreign economic relations. We are citing some fragments from his report and answers to questions and critical observations.

This year the Ministry of Foreign Economic Relations bears a large burden of responsibility for export-import transactions for state needs, which are increasing substantially in volume, and for building up exports of highly processed goods. Certainly we are hampered by inertia and sluggishness in many Ministry of Foreign Economic Relations structures, but, by and large, the potential we have enables us to be pretty optimistic about the future.

We are planning to work hard on reorganizing the activities of our foreign trade associations with a view to bringing them closer to industry, not only in order to conclude long-term contracts for intermediary operations, but also in terms of their becoming involved in ownership. In this case we will have to invent a fairly original scheme for marketing shares in our associations and involving in this enterprises that are committed to promoting their products for export.

Regulation, in particular currency regulation, depends more on the Central Bank than on the ministry. Our role here is mainly to make recommendations, which, as a rule, remain mere good intentions. In particular, for six months now we have been trying to implement the idea of liberalizing ruble accounts for nonresidents so that they can bring in their own goods and thus provide foreign trade credits. We are also seeking to introduce ruble convertibility for current transactions for nonresidents.

The chief obstacle to our building up our exports of highly processed goods is the absence of accessible credit resources. Enterprises bereft of circulating capital have been unable to finance the production of any sophisticated goods for export. And commercial banks, for obvious reasons, are more inclined to finance import transactions than to invest money in the production of export goods (aside from raw materials, of course—there is no lack of supply in this case).

As is known, many associations in the ministry's system (and not only there) are acknowledged world leaders in the construction of major facilities such as metallurgical plants, thermal hydroelectric power stations, and engineering facilities. There are profitable orders for construction of this type. But the lack of interest on the part of our commercial banks in financing such projects has meant that we have only been able to carry out 25 percent of what we were intending to do and which our clients were actually demanding and could pay for. The same applies to military-technical cooperation.

In order to clear this severe bottleneck in our foreign trade, the government is now actively discussing the question of creating an export-import bank which would provide credit guarantees to finance the production of export products.

As for the regulation of foreign economic activities this year, I want to say that no radical changes are planned at the moment. There will just be some adjustments to export and import tariffs. The export tariff will be reduced (depending on the pace at which our industry adapts to rising domestic prices for raw material commodities). In connection with the introduction of value-added tax on imports as of 1 February, as a result of a Supreme Soviet decision, we are expecting to reduce the import tariff for raw material commodities that are not produced here to zero and for parts to 5 percent, keeping the existing rate of 15 percent for other goods, except goods subject to excise duty and a number of specific commodities, such as cars.

I do not rule out the possibility that pressure groups that are currently being formed in industry and, in particular, in the state sector, will bring about a rather rapid and uncontrollable increase in export tariff rates. This scenario has to be taken into account. At the moment we are expecting to feel (and it is happening already) rather marked pressure for a rise in import tariff rates on articles that are most vulnerable at the moment from the viewpoint of foreign competition. We are talking first and foremost of textile goods, light industry products, and cars. I think similar demand will soon come flooding in from other sectors. Our foreign experience shows that there are no limits. We are already facing demands to set tariff rates of 50, 100, and even 200 percent. We must think of ways of avoiding damaging consumers and closing the country, thus depriving our industry of the incentive to become more competitive.

As for the list of goods subject to quotas, at the moment it is confined to energy sources, nonferrous metals, timber, mineral fertilizers, and some chemical goods, and there are no plans to expand it.

The treasury is disastrously short of hard currency, including currency to pay off the foreign debt, which could reach \$40 billion—what I mean is this is the amount that has to be paid in 1993—and we will not be able to pay even one-tenth of that sum. But in order to have normal negotiations on deferring the debt, you have to pay something at least and to have at least \$2-3 billion for that purpose.

In view of the situation, it was decided that we will earn currency for the government's purposes through transactions for state needs. Our ministry will buy a commodity at domestic prices and sell it, naturally, at world prices, and all the currency earnings will go into the treasury. We are currently involved in transactions of this kind in relation to oil, petroleum products, and nonferrous metals.

As of March all transactions for state needs will be put up for bid. This relates to imports as well as exports. We are talking not only about critical imports, such as grain, spare parts, and medicines, but also purchases of goods for the repayment of credits granted to developing countries in the past.

I also want to say that we have now nearly converted trade with nearby foreign parts to acknowledged world norms. Agreements have been signed with practically all the CIS countries, except Tajikistan, on freedom of trade and nonlevying of import duty (a special protocol was signed with Ukraine).

Naturally, entrepreneurs are worried about whether they will be allowed to tender on equal terms with state enterprises. They will—they will have guarantees.

It has to be said that formerly I was optimistic about the effectiveness of our private trading firms' work on export-import transactions. But last year we had several failures, for the simple reason that when it came to the point where enterprises that had submitted tenders had to fulfill their commitments, it turned out that they were unable to do so. Here is a recent example. One organization promised us the best terms for supplies of 2 million tonnes of oil, squeezing out our well-known "Nafta-Moskva" association, and was then unable to buy the oil.

In order to be able to operate in raw material commodities, which is easier than in finished goods, you need a certain amount of experience and connections, and you need to be sure that you will not botch things. One of the main conditions is guarantees from a first-class bank.

I want to point out the sad fact that our entrepreneurs still have only a poor understanding of national interests, as far as regulation and granting of special rights and

commitments on the part of the government are concerned. It is very strange (to an onlooker) to see who the Russian Government will give guarantees to and who the union government used to give guarantees to) [punctuation as published]. Mainly to foreigners, who do not want to take a risk. Indeed, we are a massive risk zone. Our entrepreneurs are operating in grim conditions, taking great risks, and for some reason we have to give guarantees to foreigners, included specially created institutions such as the European Bank. In fact, this bank, if you believe what its leaders say, was set up to fight in the economy against communism, that is, take risks by investing money in private enterprise. Instead the bank keeps asking for state guarantees. To be honest, we do not really need such institutions at the moment.

I believe that we have to turn around the entire state machine so that it supports our entrepreneurs and gives them guarantees first and foremost, in order to ease their risk burden and enable them to get their goods on the foreign market.

Shafranik Presents 'Gloomy' Assessment of Fuel Industry

PM2402144193 Moscow IZVESTIYA in Russian
19 Feb 93 p 2

[Sergey Leskov report: "Unseen Political Battles Expected Over Oil"]

[Text] Yuriy Shafranik, the new Russian fuel and energy minister, gave a gloomy assessment of the state of the base sector in his first public speech during a meeting with mass media leaders.

The coal industry, which the minister described as the main stabilizing factor in the economy, is in the most neglected state. However, he stressed, there is not enough coal for current needs, and there will be even less in future. At a time when China extracts 1 billion tonnes of coal a year and the United States extracts 650 million tonnes, extraction in our country has fallen from 480 to 330 million tonnes over recent years. Practically no new deposits have been prepared for three years. Share flotation has only exacerbated the miners' problems. The financial, structural, and technical problems of the coal industry are so grave that a minimum of five years will be needed to get out of the crisis.

The minister regards the state of the oil extraction industry as the next most acute issue. Oil extraction in Russia has been halved compared with USSR indicators and now stands at just 350 million tonnes. Unless radical measures are taken to contain the decline, extraction in 1993 will be cut by another 20 million tonnes. The risk is that next year Russia will consume all that it produces and will halt oil exports, thus cutting off the main source of the influx of foreign currency into the country.

CIS countries are suffering in particular as a result of the cutback in Russian oil extraction. Yu. Shafranik announced more accurate and even further reduced

delivery volumes of Russian oil to Ukraine. In 1993 Ukraine will be able to obtain only 15 million tonnes of oil. The minister noted that next year the fourfold reduction in delivery volumes could affect all CIS states. He therefore forecast that extremely fierce political battles would rage around oil, and the problems of the fuel and energy complex would become a really major political issue for Russia and the CIS.

The slump in production in the former Union republics resulting from the close interdependence of national economies is also hitting Russia hard. Having made this assumption, however, the minister showed no desire to review this year's export quotas. This theme will be developed further at a meeting between Russian and Ukrainian delegations on the problem of oil deliveries which began 18 February.

One of the most acute topics is the freeing of prices for energy sources. Yu. Shafrenik expressed certainty that the oil price increase would not prompt inflationary processes. The cost of extracting and processing oil currently accounts for just 23 percent of the gasoline price.

At the same time the new minister reproached the former government for its lack of a blueprint in attempting to reform the fuel and energy complex. He remarked that actions carried out according to a theoretical scheme without the formulation of mechanisms for implementing reforms are not only pointless, but also frequently yield a negative result. At the moment, however, this reproach may be turned back on Yu. Shafrenik himself. He presented the sector's problems in a fairly spectacular manner, but the way out of the crisis was sketched only in broad outline. On several occasions the minister promised a "turning point" which from now on will take place in the development of the fuel and energy complex, but he was in no hurry to flesh out his approach.

Yu. Shafrenik spoke with far greater conviction about how he had managed to boost the economy of Tyumen Oblast using petrodollars. But now the minister has to tackle fundamentally different tasks on another scale. Moreover, the flood of petrodollars to West Siberia has certainly not pulled the oil industry out of crisis. In one way or another, the new minister does not have much time to familiarize himself with the situation, and a great deal is riding on his decisions.

All the same, what sort of "turning point" awaits us in the fuel and energy complex? It cannot be ruled out that the minister was surreptitiously attempting to emphasize the importance of his appointment. But it is also possible that behind the promise of drastic changes, large-scale decisions are in the offing in the sphere of energy sources. According to some reports, a package of edicts on new tariffs and the introduction of excise on energy sources has already been prepared by the government. Moreover, a special administration is being established in the ministry which will be tasked with formulating a state prices policy in the fuel and energy complex sphere.

And March, it is expected, will see the completion of the formation of the concerns that will develop natural resources and remove production of energy sources from the direct economic jurisdiction of the government.

Chernomyrdin Criticizes Slow Pace of 'Small-Scale Privatization'

PM2502111193 Moscow ROSSIYSKIYE VESTI in Russian 25 Feb 93 p 1

[Unattributed report: "Viktor Chernomyrdin: Rate of 'Small-Scale Privatization' Inadequate"]

[Text] Heads of government and chairmen of state property management committees of republics within the Russian Federation have met in the "President Hotel." This conference was the logical continuation of a recent meeting of members of the government with heads of administration at which almost every speaker said that the privatization of specific facilities is the affair of the territories themselves. And therefore questions connected with delimiting ownership at the federal, republic, and local levels were raised again.

Viktor Chernomyrdin, chairman of the Russian Council of Ministers, stressed that without a well-oiled mechanism for carrying out the privatization of enterprises, it will be impossible to implement economic reforms. And although privatization is proceeding fairly intensively, the rate of "small-scale privatization," as the premier stressed in particular, is inadequate. And the most unpleasant thing is that a number of enterprises that have been turned into joint-stock enterprises have lowered their economic indicators and production rates. Well-known cases of consumer service enterprises converting to commercial stores once they have become "independent" also aroused Viktor Chernomyrdin's indignation. By the end of last year, around 46,000 enterprises had changed their form of ownership, but privatization is not proceeding at equal rates throughout the regions.

Military Issues

Security Council Opposes Army Role in Domestic, Ethnic Conflicts

OW2402171493 Moscow INTERFAX in English 1655 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Interfax has received information about the Russian Security Council's most recent meeting in the Kremlin, attended by the central customs department and the leaders of the Defense, Security, and Internal Affairs Ministries, and led by the council's secretary, Yuriy Skokov. In a private discussion a reliable source told an Interfax correspondent that at the meeting they discussed measures for establishing a system to effectively protect Russia against economic setbacks and

prevent the common property of the Russian people from being misappropriated.

The source went on to say that currently, of Russia's 58,000 kilometers of borders, only 10,000 are set up according to international law standards. The lack of regulation in this area has allowed the volume of raw materials and goods exports from Russia to the Caucasus to rise to the point where it is now 21 times higher than the volume of imports.

They discussed methods for ensuring that the Ministries of Defense, Security, and Internal Affairs, and customs branches work together to protect the territorial integrity of the Russian Federation and enforce border regulations.

They also discussed the removal of Russian Federation troops both from former Soviet republics and from other foreign lands, and the establishment of "a more solid arrangement of social guarantees for military personnel and their families."

The source said that members of the Security Council unambiguously stressed "the impermissibility of the use of army structures in ethnic and other domestic conflicts."

Army Depoliticization 'Long Way Off'

PM2402125793 Moscow ROSSIYSKIYE VESTI in Russian 24 Feb 93 p 1

[Sergey Ovsienko: "Will the Army Remain Outside Politics?"]

[Text] To be honest, you would not envy the defense minister these days—trouble has been raining down on him from all sides. Now participants in the illegal All-Army Officers' Assembly have accused him on four counts at once—beginning with state treachery and ending with sabotage. Going further, the "patriotically" minded officers have demanded that Grachev be deprived of his Hero of the Soviet Union award and his military title and stripped of his Gold Star.

The minister does not enjoy the support of the "radical democrats." First and foremost they do not like the defense department's cadre policy and the pace of military reform. In its turn, the "Army Reform" deputies' faction, exploiting the social tension in the Armed Forces, is demanding that Grachev be replaced. True, giving no guarantees that the arrival of a new minister will radically change everything for the better.

In the heat of the political battle many of General Grachev's opponents have forgotten one simple truth—the army today is suffering the same ailment as the rest of society. And of course, there are many mistakes and miscalculations in the activity of the Ministry of Defense and the minister himself. But this stems not from a lack of competence but from the huge load of problems which has been heaped on the Russian Army. Suffice to recall the withdrawal of troops to Russia from foreign parts near and far.

The minister, however, is not being so persistent about fulfilling the president's edict on depoliticizing the Army. If he were to be absolutely consistent, he should, for example, settle the question of servicemen deputies. Duties in the soviets, however you look at it, constitute political activity, and combining them with service will contravene the edict on depoliticizing the Army.

Indeed, the officers' assembly itself, deemed illegal by the Ministry of Defense leadership, has yet again confirmed that depoliticization of the Army is a long way off. On the contrary, the Army is being politicized more and more—the assembly's guests and participants included G. Zyuganov, A. Makashov, A. Sterlingov, S. Umalatova.... These people foist their political prejudices and ideological convictions on those around them, and consider national arrogance and haughtiness the best proof of love for the Motherland. Their actions are morally unscrupulous and irresponsible.

Government Allocates Money To Hire Contract Internal Troops

LD2502101793 Moscow Radio Rossii Network in Russian 0900 GMT 25 Feb 93

[Text] The Russian Government has decided to allocate an additional 1 billion rubles to Russian internal troops to take on contract volunteers. Apart from a large monetary allowance, various social guarantees are envisaged for the servicemen. An ITAR-TASS correspondent was told at the internal troops headquarters today that it is planned to send the volunteers to the region of the state of emergency in North Ossetia and Ingushetia and also to regions where the crime situation is complicated. A total of 40,000 fixed-period soldiers and sergeants are to be replaced and the process is to take several years. This is the reason why for the time being the numerical strength of subunits and units mainly depends on the call-up system. Deputy Prime Minister Sergey Shakhrai thinks internal security issues have now come to the fore as far as the state is concerned.

Supreme Soviet

Date for Congress To Be Decided 4 March

LD2502091693 Moscow Mayak Radio Network in Russian 0800 GMT 25 Feb 93

[Report by Aleksandr Ruvinskiy]

[Text] One can already say that the prediction made at the end of this morning's Mayak Panorama program has been corroborated. At the session of the Russian Supreme Soviet, deputies have just passed a decision to include the issue of convening an extraordinary Congress of People's Deputies on the agenda of the session for next Thursday [4 March]. Ruslan Khasbulatov said that one should consider the matter of convening the congress as virtually decided because the required number of deputies' signatures have been gathered and there have been numerous appeals to the Supreme Soviet on this score. At the

session next Thursday, the date for the congress to be convened will be determined, as well as the agenda. It is expected to be convened on 9 or 10 March.

Yeltsin Submits Amended Draft of Power Sharing Pact

OW2502110693 Moscow INTERFAX in English 1047 GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] On Wednesday [24 February], Russian President Boris Yeltsin submitted to parliament his draft of the constitutional agreement between the federal legislative and executive bodies, pending the adoption of a new constitution. This is an amended variant of the draft, circulated in parliament at the end of last week.

The document consists of four sections, the first one dealing with the head of state's duties, among them the commitment not to interfere in the responsibilities of the legislative branch and not to use the right to initiate laws upsetting the balance between the two branches of power. Also, the president shall ensure his decrees' and the government resolutions' strict compliance with the constitution and with Russian laws. Moreover, he shall instantly inform the parliament of measures to ensure Russia's national security, law and order.

The president shall create conditions for the efficient work of the government and ensure the priority of economic projects and their timely submission to parliament as a legislative initiative. All of the draft decrees and laws, dealing with budget spending, shall be coordinated with the government.

The president's responsibilities shall include defending Russia's territorial integrity and its constituent entities, the promotion of integration within the CIS and the defense of Russian citizens outside Russia.

According to the draft agreement, the parliament shall not interfere in the prerogatives of the executive branch, and guarantee the observance of the constitutional principle of the division of power. The parliament shall also cut short actions preventing the executive branch from performing its duties. It shall not adopt laws or amendments, violating the balance of power, documented in the constitutional agreement, and amend current laws guaranteeing the maintenance of such a balance and the observance of the constitutional principle of the division of power.

Parliament shall assume responsibility for ensuring the timely adoption of laws on the defense of human rights and liberties, and the implementation of the Federation Treaty as part of the constitution.

One of the sections of the draft agreement specifies the legislative and executive authorities' mutual commitments on property-related issues. Control over federal property shall be exercised by the federal government.

Unlike the previous draft, this one says that decisions on credits and emission shall be taken by parliament only by agreement with the government. The document also provides the regions with self-government guarantees, and ensures material and financial support for them, as well as protection from government interference.

The new draft has the same guarantees of implementation as the old one. It says that if the president does not implement this agreement, he shall hand his resignation in to the parliament. Should the agreement be violated by the parliament, the president shall dissolve it and terminate the powers of the officials, elected by the congress of people's deputies. The procedure and date of the parliamentary elections shall be set by the president. The right to reveal violations of the agreement has been granted to the Constitutional Court.

Date for Discussion Set

OW2502123293 Moscow INTERFAX in English 1048 GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] On February 25, most of Russia's people's deputies did not back the idea of discussing the membership of the working group for the joint drafting of the constitutional agreement, although the discussion had been included in the agenda last Friday [19 February], during the joint session of parliament's chambers. For the moment, the working group consists of those members proposed by Ruslan Khasbulatov during his talks with Boris Yeltsin.

The group consists of the parliament's Vice-Chairman Nikolay Ryabov, deputies Vladimir Mazayev, Igor Muravyov and Mikhail Mityukov, and leader of the parliamentary center Konstantin Lubenchenko.

On the initiative of Chairman of the Parliamentary Committee for International Affairs and Foreign Economic Relations, Yevgeniy Ambartsumov, the president-proposed draft constitutional agreement, circulated in parliament on Thursday, will be discussed at the beginning of next week by the parliament's committees, commissions and factions. Next Thursday, the president's draft will be discussed in parliament.

Khasbulatov Insists on Canceling Referendum

LD2502120993 Moscow ITAR-TASS in English 1156 GMT 25 Feb 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow February 25 TASS—Russian Parliament speaker insists that the referendum on the basics of a new constitution should be cancelled and replaced by early parliamentary and presidential elections in 1994. To cancel the referendum an extraordinary Congress of People's Deputies should be convened.

There is "a mighty movement (in the country) aimed at convening the Congress of People's Deputies and adopting a decision to cancel the referendum", Ruslan Khasbulatov told lawmakers on Thursday.

The speaker added that the referendum can be compensated for by simultaneous parliamentary and presidential elections "to dispell all suspicions that we are griping on power".

The holding of the referendum was one of the items in a compromise agreement reached by the president and the Congress of People's Deputies last December after Yeltsin accused legislators of a "creeping coup". The agreement envisages that if one of its items is annulled the document loses its validity all together.

The speaker said that the elections-referendum substitution can be included into the constitutional agreement proposed by the president. "This would be in the framework of the Constitution", Khasbulatov said.

However, he did not make it clear whether the parliament is preparing its own variant of the agreement with the president who, in his version, proposed a moratorium on changes in the existing share-power system in Russia until a new constitution is adopted. Yeltsin also favoured pre-term elections, but with a one-year gap—in 1994 for parliament and in 1995 for the president.

Parliamentary version of holding elections was included into a 12-item questionnaire proposed for the referendum. Khasbulatov said the president has not yet submitted his version of the questionnaire.

The speaker believes it necessary to include into the agreement with the president the status of the federal government. "The crisis of authority consists in a complete inefficiency of the executive authority because the government does not have enough powers", he said. Khasbulatov earlier explained that the new status of the government should mean its subordination to parliament, instead of the president.

Shakhray Backs Yeltsin in Conflict With Khasbulatov

LD2202144193 Moscow ITAR-TASS in English 1432
GMT 22 Feb

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow February 22 TASS—Russian President Boris Yeltsin is right in calling for a constitutional accord (between president and parliament), Sergey Shakhray told journalists in the Russian parliament building today. "The in-fighting in Moscow is the chief threat to the territorial integrity of the Russian Federation at this stage," the chief of the Nationality Policy Committee told reporters.

Shakhray, who is also a vice-premier, stressed that "it is necessary to traverse the chartered path to the very end

and do everything possible to enable a constitutional accord between the legislative and executive branches of power to appear and stabilize the constitutional system for the period until a new constitution of Russia is promulgated," Shakhray said. "And if it falls through, we must name those who are to blame," he said.

Shakhray recalled that it was the president who suggested that the Congress of People's Deputies (Russia's supreme legislature) be convened to approve the constitutional accord. "I hope the congress will meet," Shakhray added.

"I think that the Supreme Soviet (standing parliament) will make up their mind this week as to whether it needs a constitutional accord," Shakhray said. "It will then be clear what is to be done about the referendum and the congress", he stressed.

Says Constitutional Agreement 'Imperative'

OW2202152493 Moscow INTERFAX in English 1443
GMT 22 Feb 93

[Following item transmitted via KYODO]

[Text] Vice Premier Sergey Shakhray maintains lack of coordination between the power branches is posing direct threat to the territorial integrity of the Russian Federation. Speaking at the parliamentary hearings on Monday [22 February], he said there is a "slim chance" that the ongoing conflict between the power branches will be easily settled. In his words, he was prompted this conclusion by the results of the conference in Novosibirsk of the representatives of the RF legislative and executive branches.

"The president was right proposing to conclude a constitutional, or power-sharing agreement, and the Supreme Soviet ought to state before the end of this week whether it needs it or not," Sergey Shakhray said.

In the words of Sergey Shakhray, who is heading the State Committee for Nationality Policy, his committee has forwarded to the RF Supreme Soviet its draft concept of the new nationality policy, containing 11 principles, such as equality of all nationalities; acknowledgement of their right to national revival, with the main emphasis on human rights; and federalism.

Asked by an Interfax correspondent during an interval between the sessions what he thought about the prospects for concluding the power-sharing agreement, Sergey Shakhray replied, "We have to do everything we can to achieve it and not deviate from the path we have set before ourselves."

He called "wrong and unproductive" the statement adopted by the participants of the session in Novosibirsk in regards to their attitude toward the referendum and the constitutional agreement, adding it was "prompted by their hope for a one-sided victory." In the opinion of Sergey Shakhray, "it becomes imperative to conclude the

constitutional agreement. Should its conclusion be frustrated," he said, "we should call by name all those who are responsible for it."

Khasbulatov Said Seeking To Subordinate Executive

PM2402132193 Moscow ROSSIYSKIYE VESTI in Russian 24 Feb 93 p 1

[Unattributed report: "So Just Who Has Set Up a 'Secret Politburo'? Speaker Forces War of Words on President"]

[Text] As he travels around the country and the world, [Supreme Soviet Chairman] Ruslan Khasbulatov tirelessly campaigns for the mainstay of democracy—our long-suffering parliament, denouncing his enemies as a "secret politburo" under the president that has conceived the idea of destroying the congress and the country. At the same time, the speaker constantly harps on his lack of personal ambition. It would appear nevertheless that he is forgetting that, unlike the president, he is the head of a collegiate organ and should express the collective viewpoint. Unfortunately, the speaker too often subsumes the Supreme Soviet, presenting his own viewpoint as the opinion of the whole parliament. In addition, Ruslan Imranovich interprets the Constitution very freely, trying to subordinate the whole of the executive, including the president, to himself as head of parliament: "The president, the Supreme Soviet, and the government are subordinate to the Congress, as are, of course, all official persons, whether in the Armed Forces, the security organs, or the Ministry of Internal Affairs, and so forth." In reality it is not a congress but the intellect, honor, and conscience of our era [former honorific of the CPSU], an almighty politburo. In order that no one should interpret this statement as a simple declaration, the speaker adds: "I would like to remind everyone of this, including all officials of the Russian Federation."

Meanwhile, in point of fact the Congress has shown a complete lack of aptitude for practical political leadership. Even parliamentarians recognize that the congress is unworkable. Hence to raise the question of the absolute power of the congress in real political life is extremely dangerous and foolhardy. For all the imperfection and weakness of the government, its power is still somehow capable of conserving the integrity and governability of the country. The power of the congress can lead only to total loss of government and paralysis of the organs of state power. And then we could be faced with more than a simple change of signboard [reference to accompanying photomontage showing main entrance to "Ruslan" stores, onto which a crane is apparently lowering a sign reading "Ruslan Imranovich"].

Khasbulatov Says Supreme Soviet Should Appoint Media Heads

LD2502110693 Moscow ITAR-TASS in English 1058 GMT 25 Feb 93

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow February 25 TASS—Russian parliament speaker Ruslan Khasbulatov made yet another attempt to decrease the powers of the executive authority on Thursday saying that heads of state television networks and news agencies should be appointed by the parliament rather than the president.

"Heads of federal electronic information services should be approved by parliament... let the government nominate candidates and the Supreme Soviet will approve them", he told lawmakers, adding that "unless we switch to a new system, there will be intrigues, various Poltoranins and others who would try to propagate their blockhead views".

Khasbulatov was referring to his old archrival and close ally of the president Mikhail Poltoranin who is now supervising the state television as head of the Federal Information Centre.

The scandal at the Ostankino TV Company erupted after its first deputy chairman Igor Malashenko offered to resign because of disagreements with the newly-appointed head of the company Vyacheslav Bragin, a close ally of Poltoranin and former chairman of the parliamentary commission on mass media.

Malashenko said Bragin demanded that only democratic views be aired by the television, thus stipulating biased coverage of the situation in the country.

Poltoranin responded that Malashenko resigned in anticipation of exposure, initiated by Bragin, of financial irregularities in the company.

The parliament decided to create a special group which will probe the situation at "Ostankino" TV network. The decision was adopted upon a proposal of Oleg Plotnikov from the "Smena—New Policy" faction who said that television is being censored.

Shakhray on Problems of New Nationalities Policy

LD2202154093 Moscow ITAR-TASS in English 1454 GMT 22 Feb 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow February 22 TASS—"The Russian Government is drawing up a state programme for the implementation of the federal treaty," vice-premier Sergey Shakhray told parliamentary hearings on "the integrity of the Russian Federation and the regional policy", held in the Russian White House here today.

Shakhray disagreed with people who claim that Russia has no concept of a new nationalities policy. He outlined the approaches of the State Nationalities Committee he heads to this most important state problem. "They are based," Shakhray stated, on eleven principles, based on the equality of all the peoples inhabiting the Russian Federation. The problem is to turn the multinational nature of the Russian society from a source of the state's potential weakness, into a source of its strength, into its mainstay".

"This is a far from easy process," the vice-premier stressed, "but we must admit without ceremony that the well-being of all the other nations of the Russian Federation depends on the lot of the Russian people".

Shakhray warned that the "Russian nation, neglected as it is in every sense, may become the detonator that will blow up all our multinational Russia".

"At the same time, while recognising the right of nations to self-determination, national renaissance and development, we must constantly combine this right with the recognition of the priority of human rights, equality of all the citizens of Russia, irrespective of their nationality," Shakhray stressed. "Therefore," he added, "we must ensure equal protection to citizens on the entire territory of Russia".

Recalling that the Russian Supreme Soviet had agreed to transform the State Nationalities Committee into a State Committee for the Affairs of the Federation and Nationalities, Shakhray outlined qualitatively new approaches to the implementation of the nationalities policy. The committee shall essentially deal not with some abstract nationalities policy, but primarily with the implementation of the federal treaty. "The most important task here," the vice-premier stated, "is to safeguard the unity and integrity of the Russian state."

"Lawfully formed organs of power must provide the bulwark for this," Shakhray emphasised. He said that five regional centres of the State Committee for the Affairs of the Federation and Nationalities were to be set up in Russia. "It is high time for us to stop acting like firemen, summoned when something is already ablaze," Shakhray said.

Further on Hearings

PM2402164493 Moscow ROSSIYSKAYA GAZETA in Russian 24 Feb 93 First Edition p 2

[Andrey Sharapov report: "Parliament: Russia's Strength Lies in Its Multinational Nature"]

[Text] Parliamentary hearings on "The Integrity of the Russian Federation and Regional Policy" were held in the White House on 22 February. Ramazan Abdulatipov, chairman of the Soviet of Nationalities, acknowledged that an effective regional policy has not yet been achieved, despite the fact that the Federation

Treaty has defined the vertical power relationships. The task now is to define horizontal relationships.

Sergey Glazyev, minister of foreign economic relations, pointed to the complexities in the sensitive sphere of redistribution of powers, especially in the sphere of foreign trade and customs policy. Deputy Defense Minister Colonel General Kondratyev pointed to the need for more collaboration among the power ministries and the problems of manning the Russian Army. N.P. Medvedev, chairman of the parliamentary Commission for National-State Structure and Interethnic Relations, believes that we have in effect arrived at a confederation, in which 21 republics within Russia participate. One of the main reasons for the present crisis of regional policy is the lack of legal coordination, whereby, for instance, a Russian presidential edict is not legally binding on the presidents of republics within the Federation. Since the middle of last year components of the Federation have been sent about 50 draft laws for formulating the fundamentals of federal legislation. A total of 1,448 amendments and proposals have been received, mainly concerning economic questions, which again confirms that the economy is the basis of nationalities policy.

Sergey Shakhray, chairman of the State Committee for Nationalities Policy, refuted accusations that Russia has no clear nationalities policy. Its expression is, in particular, the Federation Treaty. The chairman of the department which he proposes to call the State Committee for Affairs of the Federation and Nationalities sees the main aim of nationalities policy as being to transform the Russian Federation's multinational nature from a potential danger into a strength and bulwark of Russia's might. Sergey Shakhray offered for the deputies' attention 11 principles of Russia's nationalities policy. Among them are equality of the peoples, but bearing in mind that a poor "sense of well-being" on the part of the Russian nation could destabilize the situation" [quotation marks as published]; recognition of the right to self-determination in conjunction with the supremacy of the individual's rights; federalism; territorial unity of Russia and its components; "depoliticization" of nationalities policy; emphasis on the legally formed organs of power of the Russian Federation's components; the preferential and overriding status of nationalities policy; and consideration for the peoples' religious specificities.

More on Khasbulatov Delegation's Visit to Finland

Meetings With Officials

PM2302162993 Moscow ROSSIYSKAYA GAZETA in Russian 23 Feb 93 First Edition p 7

[Sergey Pankratov report under "Parliamentary Ties" rubric: "Russian and Finnish Parliamentarians Make Step Toward One Another"]

[Text] Helsinki, Turku—Yesterday the Russian parliamentary delegation began with a visit to the Hietaniemi

Cemetery. [Supreme Soviet Chairman] R. Khasbulatov laid a wreath at the "Heroes' Cross." This is a token of complete reconciliation between our peoples and a tribute of respect to all those who fell in past wars on both sides of the front. The solemn ceremony by the "Heroes' Cross" ended with a minute's silence.

Then Khasbulatov met with the Finnish president at the presidential palace. During the conversation they discussed future prospects for Russo-Finnish relations and Finnish President Mauno Koivisto's forthcoming visit to Russia.

Problems of economic cooperation were broached during R. Khasbulatov's meeting with Prime Minister Esko Aho, who stressed that in both countries today the official authorities at all levels must make the maximum efforts to develop trade between Finland and Russia, which has declined sharply. Khasbulatov in turn noted that the Russian parliament is working seriously on creating a legislative base conducive to the rapid development of economic cooperation.

The exchange of opinions continued during the working lunch given on behalf of Saara-Maria Paakkinen, deputy speaker of the Finnish parliament. Finnish parliamentarians are well aware of the difficult relations which have developed in our country between the legislature and the executive. It was extremely important for them to receive firsthand information.

On the same day the delegation went to Turku, a major Finnish industrial center.

En route for the ancient capital of Suomi the Russian parliamentarians stopped off in the small town of Hanko, where hundreds of Russian soldiers who died on Finnish soil during World War II are buried. Due tribute must be paid to the Finns: The graves and memorials are being kept in perfect order. A worthy attitude toward the remains of a dead adversary is genuine reconciliation. Khasbulatov and other members of the parliamentary delegation laid a wreath at the Russian war memorial.

The next stop along the way was at Tammissaari. The conversation there focused mainly on the problems of ethnic minorities at the municipal level. Few people in our country know that there are ethnic minorities in Finland too. The largest minority is the Swedes. Although they form just 6 percent of the population, Swedish is the second official language in Suomi. There are schools, newspapers, television, and even special military subunits for Swedish speakers. Finland's experience in this sphere has been recognized at the world level, and the Russian deputies' familiarization with it was undoubtedly useful and instructive.

The Russian parliamentary delegation arrived in Turku late in the evening.

Greetings Sent on Defenders Day

LD2302182893 Moscow Radio Rossii Network in Russian 1700 GMT 23 Feb 93

[Excerpts] The visit to Finland by a delegation of the Russian Supreme Soviet headed by Ruslan Khasbulatov is drawing to an end. Konstantin Zlobin reports by telephone from Helsinki:

[Zlobin] Today the delegation of Russian parliamentarians had a meeting with Ilkka Suominen, chairman of the Finnish legislative body. During the meeting Ruslan Khasbulatov noted that this was the first delegation of Russian parliamentarians of such a high level to visit Finland. During the conversation the special role of parliamentary links between our countries was mentioned. The mutual wish of the leaderships of the two countries to do everything possible to expand and strengthen primarily economic relations between Russia and Finland was also expressed. [passage omitted]

Today Ruslan Khasbulatov addressed greetings to the citizens of Russia on the Day of the Defenders of the Fatherland. This greeting says in part: Dear fellow citizens, being abroad on an official visit I send you sincere congratulations on the Day of Defenders of the Fatherland. I congratulate first those who defended our homeland with weapons in their hands, those who served in the past and those who are now in the ranks of the Russian army. I wish you health and happiness, dear fellow citizens.

The delegation of Russian parliamentarians returns home today. As the Supreme Soviet chairman said, the entire program was completely fulfilled but unfortunately there was no time for sight-seeing.

This is Konstantin Zlobin from Helsinki.

Khasbulatov Criticizes 'Radical Democrats'

LD2302200893 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 23 Feb 93

[From the "Novosti" newscast]

[Text] [Begin Supreme Soviet Chairman Khasbulatov recording] I favor the well-developed and tested model of socially oriented market economy, the model developed by Ludwig Erhard, in its Scandinavian version, if I may say so. [end recording]

[Correspondent Kiselev] This was stated today by Ruslan Khasbulatov at the end of the Russian Federation parliamentary delegation's visit to Finland. Ruslan Khasbulatov was invited by the parliament, and naturally, parliamentarians exchanged experiences. For example, Ruslan Khasbulatov perceived as important the fact that here [in Finland] nobody has any doubt that the parliament should carry out control of the government's activity. In their turn, the leaders of deputies' factions of the Finnish parliament showed interest in

developments in Russia. Khasbulatov said the bulk of society is for reforms. However, the speaker underlined, radical democrats are the biggest danger because they may destabilize the political situation in the country in order to pander to their political ambitions in the struggle for power.

The visit has been cut short. Konstantin Zlobin, press secretary to the Supreme Soviet chairman, said that the program is complete and there is no time for tourism at the present moment. Ruslan Khasbulatov is returning to Moscow later tonight.

Khasbulatov's Sudden Return Viewed

*MK2402141493 Moscow MOSKOVSKIY
KOMSOMOLETS in Russian 24 Feb 93 p 1*

[Mikhail Gurevich article: "Khasbulatov: An Interrupted Flight. One Will Answer for All"]

[Text] By the time readers see this issue of MOSKOVSKIY KOMSOMOLETS, Mr. Khasbulatov will apparently be performing his duties presiding in the Supreme Soviet. The speaker's visit to Finland was suddenly cut short.

Not so long ago another Russian statesman suddenly interrupted his foreign tour. Last December Boris Yeltsin gave up the chance of seeing China's Free Economic Zones and returned to Moscow, where a new cabinet of ministers was being formed, in order to show "who is boss here." There is every reason to believe that Ruslan Imranovich has now sensed that something is wrong.

Khasbulatov was not to the liking of many deputies when he was still deputy chairman of the Supreme Soviet under Yeltsin. Later on we got to know his particular sense of humor and his tactful manner of conducting sessions. Lately, however, a more substantial cause for discontent has appeared. A considerable number of parliamentarians who do not—like their boss—suffer from a Napoleon complex, would like to enjoy life (high salaries, business trips abroad and so forth) in the remaining part of their tenures, which will last for a while yet, at the same time getting housing for themselves in Moscow. Then they suddenly realize that there is someone who could actually deprive them of these benefits even this year. The parliament chairman has proved to be an even more unpredictable politician than the president himself, outdoing Boris Nikolayevich in the number of explosive statements delivered per unit of time. Reports that a quiet conspiracy is being hatched within parliament to replace the hot-tempered leader with a more amenable person are coming out in clear language. Presumably this will be one of the chairmen of the commissions of a trendy "populist orientation."

As for the possibility of giving Khasbulatov new employment, our country is very large and there is plenty to do in the farming business, especially with the spring planting season just around the corner.

Parliament Fails To Agree on Privatization Program

*MK2402115693 Moscow KOMMERSANT-DAILY in
Russian 23 Feb 93 p 9*

[Yelena Kotelnikova article: "State Property Committee Gains Time"]

[Text] Parliamentarians hold widely differing opinions on the 1993 state privatization program, as was borne out by the 22 February hearings at the Supreme Soviet on the draft privatization program drawn up by the State Property Committee [SPC]. Observers believe that the absence of consensus in parliament gives the SPC a chance to implement its program as it was originally conceived in line with presidential edicts.

The SPC's main opponents at the 22 February hearings, organized by the Workers Union faction, were the Russian Supreme Soviet's Supreme Economic Council, the Federal Property Foundation, and the New Policy parliamentary faction.

In his conclusion on the draft 1993 privatization program, Supreme Economic Council Chairman Vladimir Ispravnikov criticized its underlying concept which, in his opinion, is not conducive to economic reforms in Russia and turns the creation of a class of private owners into an end in itself. According to Ispravnikov, the SPC concept does not create favorable conditions for the development of priority economic sectors and greater economic efficiency. Furthermore, the Supreme Economic Council believes that the weakness of the SPC draft lies in the fact that it lacks "an explicit provision for labor collectives to have priority in determining the methods of privatizing enterprises." That could turn privatization "into a purely administratively regulated process," with the SPC playing the dominant role. For the same reason, Ispravnikov fears that the proposed draft substantially downgrades the role played by representative bodies in privatization. According to experts of New Policy, one of the most influential parliamentary factions, "there is no point in hurrying" over privatization. They suggest that priority in extending state credits to enterprises should be determined by means of privatization checks. Thus, credit concessions would be granted only to those enterprises that get the most checks.

Vitaliy Klyuchnikov, deputy chairman of the Russian Federal Property Foundation, put forward a fourth privatization option whereby the circle of investors is limited to members of labor collectives and the pace of privatization is made substantially slower, involving a stage-by-stage enterprise buy-out mechanism.

According to SPC Deputy Chairman Dmitriy Vasilyev, who took part in the hearings, the SPC does not intend to "change the rules of the game" as established by the current legislation, and will maintain continuity between the previous and the present privatization programs.

Observers point out that the SPC's sole consistent supporter in parliament is the Supreme Soviet committee on economic reform and property, which could be instrumental in swaying the deputies to concur on the draft 1993 privatization program.

[Article contains following text in two boxes:]

Box 1. Main criticisms by the Supreme Economic Council on the draft 1993 state privatization program:

- the formation of a class of private owners is becoming an end in itself;
- an overwhelming part of the population may not become owners of the means of production and may not receive any tangible gains from the sale of privatization checks;
- the sale of federal property for checks will hinder the growth of investment in production, because the exchange of stocks for privatization checks does not make it possible to attract additional capital input;
- privatization is turning into a process regulated by purely administrative methods, where the State Property Committee occupies a dominant position while the functions of the Federal Property Foundation are played down;
- sectoral privatization does not correspond to constitutional principles, but is oriented solely toward presidential edicts and government decrees, which makes diversification and intersectoral cooperation difficult.

Box 2. Privatization in 1992 and 1993

Number of enterprises privatized and slated for privatization:

- planned for 1992: 92,000;
- privatized in 1992: 46,000;
- planned for 1993: 176,000.

Monetary revenues to the budget (in comparable prices):

- planned for 1992: 72 billion rubles;
- received in 1992: 26 billion rubles (nominally 157 billion rubles);
- planned for 1993: 50 billion rubles (nominally 300 billion rubles).

State Loses Over 800 Billion Rubles

OW2402181193 Moscow INTERFAX in English 1656 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] By selling its property at unduly low prices in 1992, the state lost over 800 billion (bn) rubles, say the experts of the Supreme Economic Council (SEC) under the Parliament Presidium.

According to the SEC analysis of the government's draft privatization program for 1993, significant losses were incurred during the course of privatization last year.

Only 50 percent of businesses earmarked for privatization were indeed privatized, the document reports. Although 157 Bn rubles were received rather than the planned 72 Bn, because of inflation, real earnings are just one fifth to one sixth that. State property is sold at one fifth to one tenth its real value.

According to the Council's estimates, in 1993 losses may increase ten-fold if not more. Damages due to the disintegration of economic elements and unemployment, which could surge from 600,000 to over two million may also grow dramatically. SEC experts believe that during this year most people engaged in popular privatization will have no dividends at all.

'Fourth Option' Discussed

MK2402152093 Moscow KOMMERSANT-DAILY in Russian 24 Feb 93 p 9

[Dmitriy Kamin article: "Enterprise Managers Oppose Concessions to Labor Collectives"]

[Text] The Russian Supreme Soviet's industry and energy committee at its 23 February session found the government's performance in drawing up a draft 1993 privatization program unsatisfactory. Nonetheless, the committee also refrained from giving its support to privatization's so-called "fourth option."

A draft Supreme Soviet decree drawn up by the industry and energy committee in advance of the discussions on the draft 1993 privatization program provides that parliament should return the draft to the government for reworking, which should be completed by 15 March. Until that time, the 1992 privatization program would be extended. Furthermore, the draft Supreme Soviet decree notes that the majority of privatization regulations were not registered with the Justice Ministry, and it was therefore proposed that they be deemed legally invalid as of 1 March, unless by then the State Property Committee rectifies the situation.

Despite the negative content of the draft Supreme Soviet decree, the industry and energy committee agreed that it was necessary to prohibit closed auctions during the privatization process, thereby giving its support to the State Property Committee. The deputies also thought it important to ask their colleagues at the legislation committee to draw up a package of amendments to the existing legislation in order to eliminate the contradictions in the privatization process. KOMMERSANT-DAILY experts note that the implementation of these measures could substantially reduce the number of abuses by local officials.

The attempt, however, by some members of the industry and power committee to legitimize the so-called "fourth option," whereby labor collectives will be allocated 90 percent of the property of enterprises slated for privatization, does not appear to be so progressive. Committee chairman Alvin Yeregin told a KOMMERSANT-DAILY correspondent that the committee had refused to

support that idea because a different solution "will break the entire privatization scheme adopted by the government, and its approval by the deputies could provide grounds for political accusations being leveled against parliament."

Observers point out that the idea of "people's" privatization was nonetheless reflected in the draft Supreme Soviet decree moved by the industry and power committee. It stresses the need to implement the mandate of the Seventh Congress of People's Deputies calling for the creation of priority conditions for labor collectives during the privatization process. KOMMERSANT-DAILY analysts believe that this option—which excludes employees of the nonbudget sectors from participating in the privatization process—will be promoted more vigorously at a joint Supreme Soviet session.

Parliament Finalizes Medical Insurance Financing

LD2402142593 Moscow Programma Radio Odin
Network in Russian 1200 GMT 24 Feb 93

[Text] The Russian parliament has worked out the procedure for financing compulsory medical insurance. It states in the decision it adopted that beginning with the first quarter of 1993 enterprises and institutions, irrespective of type of ownership, are obliged to deduct for medical insurance 3.6 percent of the sum calculated for the payment of labor, 0.2 percent of which will go into the federal fund and 3.4 percent into the territorial funds.

According to the document, public organizations of invalids and pensioners, including their enterprises, as well as those institutions where no less than half of the staff are invalids or pensioners, are exempt from payment of dues.

Program Reports on 24 February Sessions

LD2402231393

[Editorial Report] Moscow Russian Television Network in Russian at 2040 GMT on 24 February carries a 29-minute program of recorded highlights from the day's separate sittings of the chambers of the Russian Supreme Soviet.

In the Soviet of Nationalities, Boris Yeltsin requested a recall of the draft law on privatization checks. Personnel changes in the Soviet of Nationalities were announced. Deputy Petukhov spoke about the need to preserve the natural environment of national minorities in Maritime Kray. Deputy Paramonov proposed amendments to the law on education. Deputy Shatalov presented a draft law on the use of the word "Russia" and a draft law on inheritance. A draft law on mandatory medical insurance for Russian citizens was presented.

The chairman of the Commission for Transport, Communications, Information, and Space presented a draft on measures to stabilize the situation in space industry and research. In a general statement, he referred to the documents distributed among deputies, and stressed the

financial and political difficulties the branch experiences at present. The program included recorded segments from this speech and from the speeches of Deputies Petukhov and Shatalov.

In the Soviet of the Republic, the chairman of the Commission for Health Care, Social Security, and Physical Culture presented amendments to the law on medical insurance. The law was adopted as a whole. Deputy Pochinok spoke about credits for the corrective labor establishment subordinate to the Russian Interior Ministry. Russian Procurator General Stepankov gave clarifications regarding the poor state of corrective establishments. The decision of these establishments was adopted as a whole. Deputy Ivanov presented a draft customs code, which was adopted in first reading. The program included recorded segments from each of these speeches.

Supreme Soviet Marks Defenders of Fatherland Day

PM2402171393 Moscow KRASNAYA ZVEZDA in
Russian 20 Feb 93 p 1

[Address to the people by the Supreme Soviet, dated 17 February: "Address in Connection With the Celebration of Defenders of the Fatherland Day"]

[Text] Dear Russians!

The Russian Federation Supreme Soviet has declared 23 February to be an important day—Defenders of the Fatherland Day.

This date symbolizes the people's best fighting traditions throughout the centuries of its history. The Russian people have always respected the image of the defender of the Fatherland. This tradition has been sacred right up until now.

All those who have given their lives and health for the glory of the Fatherland, all those who are today in the ranks of the defenders of the Homeland, have earned the limitless gratitude of Russians.

During this difficult and crucial period we assure you that we will do everything possible to improve the lives of our fellow citizens, and of our servicemen and veterans who have given their best years in serving the Fatherland.

Respected fellow citizens, warriors of the Armed Forces, veterans of the Army and Navy! The Russian Federation Supreme Soviet wishes you a happy holiday on this Fatherland Defenders' Day! May this joyful holiday bring happiness and good fortune to our homes!

[Signed] Russian Federation Supreme Soviet

Moscow, House of the Soviets of Russia

17 February 1993

Regional Affairs

Analyst Says 'Yeltsin Has Lost the Provinces'

MK2502094693 Moscow NEZAVISIMAYA GAZETA in Russian 24 Feb 93 p 1

[Report by Radik Batyrshin: "Yeltsin Loses Provinces to Khasbulatov. No Room Left for Holding Referendum in Russia"]

[Text] Following the conference in Novosibirsk it was clear that the April referendum, if it is held, will not be in Russia. The negative attitude of the former autonomous entities to the plebiscite has been echoed by krays, oblasts, and autonomous okrugs. So the only geographical location left in the Russian Federation where the authorities favor a referendum is the Moscow Kremlin. While acknowledging the decision of the Congress of People's Deputies on the referendum, the representatives of members of the federation at the same time preordained that the next congress would cancel the plebiscite. It is symptomatic that it was in Novosibirsk—the geographical center of Russia—that the representatives of legislative authorities from practically the whole of Russia rejected both the referendum and the president's draft constitutional agreement. Ruslan Khasbulatov instantly rejected Boris Yeltsin's initiative, and 24 hours after its promulgation reinforced his viewpoint with the unanimous opinion of those who gathered in Novosibirsk.

The standpoint of the provinces in rejecting the president's draft agreement is as follows. First, Yeltsin's proposed constitutional status for the compromise between the branches of authorities is unlawful. Since, as the Novosibirsk conference participants' appeal says, only agreements between federal organs of authority and federation members' organs of authority—such as the Federal Treaty—can be constitutional. Second, the Constitutional Assembly cannot adopt a new Basic Law—that would require a corresponding amendment to the existing Constitution, which only the congress can adopt. Third and most important, it is the congress, not the president, that is Russia's supreme organ of state power. So the Khasbulatov deal is the most significant one at the moment: the president as head of state and government is accountable only to a two-chamber parliament.

It is clear that both Khasbulatov and Yeltsin are demanding the impossible of each other by trying to get the maximum. But to attain his goals the president is forced to take great risks: referendum, constitutional assembly, constitutional agreement. Khasbulatov's methods, unlike the president's, are largely traditional: Constitution and supremacy of the congress. So the denouement of the next round of the Yeltsin-Khasbulatov struggle will come not behind the scenes, but in the Congress of People's Deputies, which, unlike the referendum, is inevitable. But one thing is clear—Yeltsin has lost the provinces.

Regions Vie for More Powers From Unwilling Government

MK2402090893 Moscow KOMMERSANT-DAILY in Russian 23 Feb 93 p 9

[Aleksandr Koretskiy report: "Krays and Oblasts To Enact Their Own Laws"]

[Text] The open parliamentary hearings entitled "The Integrity of the Russian Federation and Regional Policies," which were held on 22 February at the White House, highlighted two diametrically opposing views. While representatives of krays and oblasts argued for greater autonomy, the federal authorities were eager to limit some of the regions' existing powers. The hearings were attended by Deputy Prime Minister Sergey Shakhrai, chairman of the State Committee for Nationalities; Internal Affairs Minister Viktor Yerin; Security Minister Viktor Barannikov; Foreign Economic Relations Minister Sergey Glazyev; and officials of the Foreign Ministry.

According to some local officials, the main problem in relations between the federal and regional authorities is that under the Federation Treaty, only republics enjoy the right to make laws, and not krays and oblasts, although they badly need this right. Nikolay Medvedev, chairman of the commission for a national state arrangement, said that the Supreme Soviet was drafting a number of laws that would give oblasts and krays the right to engage—within certain limitations—in legislative activity.

The regional representatives demanded more than broader legislative rights. Many of those who participated in the hearings requested that the regions be accorded special, preferential tariff treatment. This was opposed by Foreign Economic Relations Minister Sergey Glazyev, who said that granting benefits to selected regions will not help strengthen the common economic space. He was supported by Deputy Foreign Minister Anatoliy Adamishin, who said that the Foreign Ministry was considering the idea of removing the representatives of certain subjects of the Russian Federation that were engaged in foreign trade on their own behalf from Russian trade missions abroad. Officials from the power ministries also argued for a curb on the regions' powers, and suggested that regional administrations should be made subordinate to ministries.

Sergey Shakhrai, who also took the floor at the hearings, stressed that the conflict in the upper echelons of power in effect called into question the existence of the Russian Federation just as much as ethnic conflicts do. The State Committee for Nationalities believes that the main principle should be equal rights for all peoples, including Russians, and that only on this basis can Russia maintain its integrity, he said. The State Committee for Nationalities intends to avoid politicizing the nationalities policy and to rely exclusively on the lawfully elected authorities. No documents were passed in the wake of the discussions.

Premier on Unscheduled Visit to Travkin's Shakhovskoy Rayon

PM2502121393 Moscow ROSSIYSKAYA GAZETA in Russian 25 Feb 93 First Edition p 1

[“Own information” report under “Working Trip” rubric: “Down-to-Earth Reforms Cost Less”]

[Text] On 24 February 1993 Viktor Chernomyrdin, head of government, made a working trip (which did not feature in any plans) to Shakhovskoy Rayon. The premier visited private farms, partnerships for the production of meat and dairy produce, and a number of industrial and trade enterprises. In the evening he had a meeting with leaders of enterprises and the leadership of the rayon soviet and administration.

Viktor Chernomyrdin decided to see for himself the effectiveness of the privatization methods employed in Shakhovskoy Rayon. Privatization here has been done “not according to Chubays”—the rayon received additional powers for this for 1992, which were defined by a presidential edict. The second task consisted in correlating the government’s strategic approaches to the reorganization of agriculture with the opinion of the peasants themselves. Finally, the third goal, but not the third most important: familiarization with the mechanism for granting interest-free credit to the agricultural producer through meat- and milk-processing enterprises (something like double “futures”). If this scheme works and proves suitable for dissemination, it will be possible to significantly ease the inflationary pressure on the state budget caused by the need for centralized funding of agricultural production.

In organizing this trip, Shakhovskoy Rayon Administration Head Nikolay Travkin set the goal of convincing the head of government of the need to bring the reforms “down to earth” by granting the maximum rights to heads of rayon administrations in the choice of privatization means and methods. In his opinion, in rayons analogous with Shakhovskoy (Russia has approximately 1,000 of them, and it is in them that the fate of agriculture is decided) the reforms can be made within a year. Moreover, without social conflicts and upheavals and with far lower costs than projected by the previous Gaydar government.

It must be pointed out that this is not Nikolay Travkin’s first attempt to extend his experience to all of rural Russia. He failed to convince the premier-cum-scientist last year. Time will show whether the two practical men will understand each other.

Belgorod Authorities Move Against Yeltsin Representative

PM2402165593 Moscow ROSSIYSKIYE VESTI in Russian 19 Feb 93 First Edition p 2

[Sergey Ovsienko report under “Scandals” rubric: “Persona Non Grata by Decision of Oblast Soviet”]

[Text] Let no one be fooled: It is not only in the golden-domed and white-bricked city that political passions seethe. Confrontation between the two powers occurs in the Russian provinces too—indeed, sometimes it reaches a temperature there 10 degrees above that in the capital.

Presidential representative Nikolay Melentyev has been declared persona non grata in Belgorod Oblast by the oblast soviet of people’s deputies. The people’s deputies became so incensed that at the end of last week the “sovereign’s eye” was deprived of material support (funds) and, on the orders of the responsible functionaries, the militia blocked all Melentyev’s approach roads to his office, and the personal effects of the driver of his service car were removed from the garage.

How did the president’s representative incur the wrath of the local soviet organ of power?

He has become terribly inquisitive; he meddles in everything. Well, it is being asked, why should Melentyev check the financial state of the oblast newspaper, whose founder is the oblast soviet? You see, an appeal from two editorial board staffers, who spoke about the inordinate quantity of commercial structures surrounding the editorial board and machinations involving video equipment by its leaders, was ignored....

And now Melentyev has begun to show interest in the oblast soviet’s dirty linen.

Whereupon the oblast soviet resolved the question of funding the activity of Melentyev and his apparatus. Only they were too late: Back on 5 February the Russian president signed a decree and a statute on the president’s representatives in krays and oblasts, assigning questions of funding their activity to the jurisdiction of the president’s administration. They hurried, but they were late.... On the other hand, they tried to make a political sensation out of this—and one with a political content, moreover.

Probably the oblast “fathers” received a positive assessment of this, albeit belated, decisiveness at the communists’ founding conference held recently in Belgorod. I do not know; one thing only is known: sitting among the esteemed guests on the presidium of this assembly was oblast soviet chairman M. Beskhmelitsyn and B. Berestovoy, the head of the oblast administration and a former first secretary of the oblast CPSU committee who publicly disavowed the Communist Party three days after the August coup.

St. Petersburg Assembly Adopts Anti-Yeltsin Resolution

OW2302212493 Moscow INTERFAX in English 1937 GMT 23 Feb 93

[Following item transmitted via KYODO]

[Text] On Tuesday evening [23 February] on Palace Square in St. Petersburg the Labor Leningrad movement and the national liberation movement Ours [as received] organized a small assembly (of about 2000 people), coinciding with the observance of Soviet Army and Navy Day. Participants at the assembly held signs calling for Yeltsin's resignation and supporting Iraq and Serbia. Those assembled on the square carried portraits of Lenin and Stalin.

At the assembly they adopted a resolution stating that "Yeltsin's crew has moved from betraying the army to completely destroying it, undermining, in so doing, the country's military might and the sovereignty of Russia." They accused the president and the government of bilaterally disarming the army before "NATO and UN troops."

The resolution protests the April 11 referendum, but acknowledges the need for "a true national referendum" in order to adopt the Russian constitution.

The assembly's leader also proposed obstructing St. Petersburg Mayor Anatoliy Sobchak's return - Sobchak is currently on an official visit to Japan - by "not allowing his plane to land at Pulkovo Airport."

Sobchak Stresses Russo-Japanese Strategic Partnership

OW2402064893 Moscow Radio Moscow in Japanese 1300 GMT 23 Feb 93

[Text] St. Petersburg Mayor Sobchak, who is currently visiting Tokyo, stressed that the so-called northern territorial issue should not be used as a trump card for domestic political struggles.

Speaking in a news conference held in the Japan National Press Club in Tokyo, Sobchak said that political forces in Japan and Russia should not use the northern territorial issue as grounds for arguments to deal with their own domestic political struggles. He added that the two countries have to realize that Japan and Russia are not simply neighboring nations but strategic partners.

St. Petersburg Mayor Sobchak is visiting Japan at the invitation of the Japanese Government and the mayor of Osaka city. At the news conference, Sobchak said that since economic conditions in Russia are stable enough, it is possible for Japan to provide large-scale assistance to reform in Russia without fear.

It has been observed that Japanese leaders hold optimistic prospects for the future direction of reform in Russia. In this connection, Sobchak said that what lies behind such observation is that while discussions on a national referendum are being held, ongoing progress in privatization in Russia is promoting the development of the market economy.

Comments on Reforms

LD2302195693 Moscow Mayak Radio Network in Russian 1800 GMT 23 Feb 93

[Text] The situation in Russia should not be dramatized. It is far more stable than it appears from the outside. This was stated at the Japanese journalists' club in Tokyo by St. Petersburg Mayor Anatoliy Sobchak. He is in Japan by invitation of the Foreign Ministry and the mayor of Osaka, which is twinned with St. Petersburg. According to Sobchak, while the center is arguing over the fate of the referendum, the main events are taking place in the provinces where privatization and share-flotation are going ahead successfully. In Sobchak's opinion, hope for the success of the reforms is inspired by the fact that the country has a government that is capable of solving economic problems and above all of stopping inflation.

Tatarstan Prime Minister Visits Taiwan

PM2402142793 Moscow IZVESTIYA in Russian 23 Feb 93 Morning Edition p 3

[Report by Sergey Agafonov: "Tatarstan Premier in Taiwan"]

[Text] Tokyo—A notable event has taken place in Tatarstan's foreign policy—an event which, it is true, is not known to very many people: The republic's prime minister, Mukhammat Sabirov, has paid an official visit to Taiwan.

The Tatarstan premier arrived on the remote and prosperous island together with Vladimir Mikhaylov, deputy minister of foreign economic relations, and spent four days there, days filled with a quite busy program. Official events featured a speech at a business seminar in Taiwan and talks with key ministers of the Taiwan cabinet, including the foreign minister and economics minister. In the opinion of Taiwan representatives, the establishment of ties with Tatarstan will have positive influence on the development of Taipei's relations with the whole of the rest of Russia.

Actually, it was not politics but the economy which was the basic aim of the trip. It is no accident that the Taiwan press called the Tatar delegation a "trade mission." Tatarstan displayed interest in Taiwan investments and the import from Taiwan of machine building output and consumer goods. As payment for possible deals, the Taiwan press reports, Sabirov offered barter—Tatar oil.

Tatar Government To Decrease Food Subsidies

OW2402200693 Moscow INTERFAX in English 1929 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] The government does no longer intend to restrain food prices by allocating huge subsidies to farm producers but will release them to even up with Russia's

average prices, Tatarstan's Deputy Prime Minister Ravil Muratov said speaking in the capital Kazan. However, he said the government would take measures to increase pay. Muratov said current prices in the republic were almost three times down on those in the rest of Russia.

The policy of a softer transition to market was justified at a certain stage, he said, but there is a need for change given the economic situation in Russia. The substance of the government's new policy is to try to adjust minimal wages to the cost of a minimal consumer basket.

The Deputy Prime Minister however said that average pay would be higher than in Russia as a whole because of Tatarstan's economic performance.

Tatarstan Premier on Relations With Moscow

MK2502100693 Moscow NEZAVISIMAYA GAZETA in Russian 25 Feb 93 pp 1, 3

[Report by Radik Batyrshin: "Kazan Will Conclude Agreements With All CIS States. Republic Prime Minister Mukhammat Sabirov Favors Strengthening Russia"]

[Text] [Batyrshin] You returned recently from Uzbekistan where an intergovernmental agreement was signed between the Republic of Tatarstan and the Republic of Uzbekistan, but we do not know the details of the document...

[Sabirov] We are supplying one another with more than 100 types of goods. Uzbekistan is currently interested primarily in energy sources, petrochemical products, and pipes we produce for land reclamation. We are interested in supplies of various kinds of Uzbek cable, vegetable oil, cotton, and fruit. Specialists from Tatarstan will be participating in Uzbek oil prospecting and production. Moreover, Uzbekistan President Islam Karimov, in a meeting with me, guaranteed the rights of the Tatar diaspora in the Republic of Uzbekistan. For our part, we will give assistance to the diaspora in terms of textbooks, literature, and teachers.

[Batyrshin] What volume of Tatarstan oil is being supplied to that republic?

[Sabirov] I do not want to give a figure, because it may not be to the liking of certain people in the Russian leadership. In talks with Viktor Chernomyrdin we had to fight very hard for Tatarstan's export quotas. Nonetheless we succeeded, but we would not want to offend anyone again.

[Batyrshin] Prior to that an intergovernmental agreement was signed with Lithuania...

[Sabirov] We intend to expand and further consolidate mutually advantageous relations with nearby foreign parts and countries further afield. We plan to sign agreements with all the CIS states this year. We want these states to participate in the construction of the Yelabuga car plant and an oil-refinery complex.

[Batyrshin] On 24 February a Tatarstan delegation flew to Crimea. What interests does the Republic of Tatarstan have in that region?

[Sabirov] We would like to participate in the development of the leisure industry in Crimea. We are interested in the free zone in Kerch, because we intend to set up our own tanker fleet. But having said that, we do not intend to spoil relations with Ukraine. An accord was reached with Ukrainian Prime Minister Leonid Kuchma on the elaboration of a bilateral agreement. Moreover, even the most brilliant prospects of relations with Crimea will not make us take steps that infringe the rights of the Crimean Tatars.

[Batyrshin] Incidentally, you worked with Chernomyrdin in Orenburg. Is he doing you any favors as an old friend?

[Sabirov] No. Viktor Chernomyrdin knows the entire economy from the inside, particularly the oil and gas complex. So to debate with him is very difficult. I became friends with him in the seventies. Rare were the occasions when I did not call on him when visiting Moscow. We do not need to spend time setting out our stalls, but, at the same time, it is very difficult persuading him that Tatarstan's proposals on, for example, oil, are correct. But we do succeed in finding compromises. Now I intend to discuss with him a draft intergovernmental agreement between Tatarstan and Russia.

[Batyrshin] Is this agreement the prelude to an interstate treaty or will it be part of it?

[Sabirov] Last year an intergovernmental agreement was concluded with the Gaydar government, and this year it was extended by the Chernomyrdin cabinet with certain changes in the oil export quotas. But on 21 January, at the talks between the Tatarstan and Russian state delegations, it was decided to detach seven economic questions from the draft bilateral treaty and put them in the intergovernmental agreement. I hope that the intergovernmental agreement will be signed before the treaty, because it is easier for us to find a compromise on economic questions than for the presidents to find a compromise on political questions. This document must strengthen Russia, because we are not setting ourselves apart from Russia. Tatarstan is interested in strengthening Russia's economy.

[Batyrshin] At the Tomsk conference Viktor Chernomyrdin described the regions' demands for maximum economic autonomy as unacceptable, because the breakup of the Union began with similar demands by the Baltic republics....

[Sabirov] I agree with him when he says that one cannot give up leadership of the national economic system. But the question is, how should it be managed? Why is the Tatarstan economy in a better position than that of the other regions (production fell by 12.7 percent in the Republic of Tatarstan last year—NEZAVISIMAYA

GAZETA)? Precisely because we have maintained control of the economy. We are headed for the market, but we are not in a hurry. We are carefully analyzing our every step. We are not giving enterprises commands, but we are controlling them through economic levers.

[Batyrsin] Tatarstan has become famous for the concept of a "gentle entry into the market"...

[Sabirov] A session of our republic's Supreme Soviet opens on 1 March. In the Cabinet of Ministers report we forecast that production will continue to fall in Tatarstan in the first six months of the year, particularly in the military-industrial complex. The military sector is holding our economy back, but we are tasking it with finishing the year at the 100.3 percent level. We are subsidizing agriculture and the agro-industrial complex out of our budget. But these sectors are subsidized the world over. Slowly but surely we are becoming our own bosses and we are climbing out of the crisis. Therefore we are going for increased production to improve things for people.

[Batyrsin] In Tatarstan they are talking about named privatization checks...

[Sabirov] I favor the idea, because the ruble has a different value in Tatarstan than in Moscow. We must protect the wealth of the multinational people of Tatarstan through named checks.

Moscow Mayoral Elections Postponed Until 11 Apr

LD2402220993 Moscow Radio Rossii Network in Russian 2000 GMT 24 Feb 93

[Text] The constituency electoral commission for the election of the head of Moscow city's administration has declared invalid the decision to hold the elections for the capital's mayor on 28 February 1993 in connection with numerous infringements of the Russian Federation Law on Elections of the Head of Administration. A RIA correspondent was informed at the Moscow city soviet press center that the commission had decided under Article 34 of this law that the elections would be held on 11 April 1993.

Ingushetia's Aushev on Ties With Chechnya, Russia

PM2402162993 Moscow ROSSIYSKIYE VESTI in Russian 19 Feb 93 First Edition p 2

[Interview with General Ruslan Aushev, sole candidate for the presidency of Ingushetia, by Sergey Karakhanin; place and date not given: "General Ruslan Aushev: 'We Cannot Live Without One Another'"—first two paragraphs are introduction]

[Text] Of course, Ruslan Aushev did not imagine when he was leading his soldiers along the stony tracks of Afghanistan that in just a few years he would receive the hero's Gold Star or that he would be a general and head

the CIS Heads of Government Council Committee for the Affairs of Internationalist Servicemen. Still less could he have imagined that in a short time shots and explosions would ring out in the land of his ancestors—in the hills of the North Caucasus. But when disaster befell his native land, the general assumed the heavy burden of the duties of head of the Ingushetia administration, and now Ruslan Sultanovich is the sole candidate for the post of president of the republic. The election, as is well known, will take place 28 February.

Right now there is an uneasy calm in the conflict zone. But political passions are still raging, aggravating the problems of refugees, hostages, and hundreds of innocent victims. In a conversation with ROSSIYSKIYE VESTI, Gen. Aushev explained his position.

[Karakhanin] Ruslan Sultanovich, the other day A. Kotenkov, head of the North Ossetia and Ingushetia Interim Administration, stated that elections cannot be held in Prigorodnyy Rayon or in Vladikavkaz. Won't this be a factor aggravating tension in the region?

[Aushev] I do not see a problem here. All Ingush who lived in Vladikavkaz or Prigorodnyy Rayon before November are now refugees and find themselves in Ingushetia. If they want to participate in the elections, obviously there is no reason to stop them. So there is nothing to argue about, in my opinion.

[Karakhanin] But Chechnya is already claiming two of the three rayons belonging to your republic—the Malgobeksiy and Sunzhenskiy Rayons, the press has reported. Will it not happen that in the final analysis all Ingushetia will be located only within the confines of the one rayon—Nazrankiy?

[Aushev] I suggest that there should be no borders at all between Chechnya and Ingushetia. But the problem of territorial claims has its origin in the complex internal political situation in Groznyy. Sensational ultimatums are being employed in the battle for authority—it is a well-known ploy.

Incidentally, Russian troops are still stationed on the border with Chechnya. However, if I am elected president, I will seek for the state of emergency zone to be confined to Prigorodnyy Rayon. Why should there be a state of emergency in Ingushetia, seeing that everything here is calm?

[Karakhanin] But, according to A. Kulikov, commander of Russian MVD [Ministry of Internal Affairs] Internal Troops, two battle-ready infantry fighting vehicles were discovered in Ingushetia, delivered from Chechnya.

[Aushev] I would like to recall the sensational scandal of such a vehicle "discovered" at a plant in Nazran. Few people know that I, as the head of the administration, did in my time virtually plead for the infantry fighting vehicle to be taken as far as possible out of harm's way. But I was not heeded then, and later its "seizure" was

dressed up as a major combat operation.... There are people who will go to any lengths to make a show of their zeal in service.

By the way, in the days of the conflict the Ministry of Defense showed me on a map the line of the tank subunit of supposedly Chechen troops. But, as a military man, it is clear to me that a map is flat—it can support anything, any rubbish. I can still remember the stories about the 15 armored vehicles which were alleged to have materialized at the Chermenskiy crossroads and to have been deployed for attack. And in actual fact we are talking about a few smashed vehicles that were abandoned in those parts. At the same time, these mythmakers flatly refused to go there and see everything with their own eyes.

This practice is no novelty either: A bogus adversary is described for radio and for the leading organs [bolshiye shtaby], but the strike inflicted on it is real enough. This has happened.

Of course, I cannot rule out that one or two armored vehicles could somehow or other have ended up in Ingushetia. But our republic has not asked for organized aid from Chechnya.

[Karakhanin] The other day Yuriy Shatalin, former commander of Internal Troops, was appointed deputy head of the North Ossetia and Ingushetia Interim Administration. This appointment is being much disputed at the present time....

[Aushev] I know him from Afghanistan, I've heard good reports of him. I believe the experience Shatalin acquired in "hot spots" will help him fix his bearings in his new job. At least, Yuriy Vasilyev's level of thinking is that of a commanding officer, not of a battalion commander. It is no secret that there are officers who have not commanded divisions, districts, or armies, but claim the laurels of developers of reforms on the scale of the whole Russian Armed Forces.

[Karakhanin] The talks between the North Ossetian and Ingush delegations are advancing with difficulty, and it has been said that one of the reasons for this is that your republic's delegation does not have the necessary powers and does not enjoy the confidence of the people.

[Aushev] As far as I know, the delegation includes representatives of the so-called People's Council and a number of other public organizations which I banned as leader of the republic administration. These people declare everywhere that they were leaders of the Ingush people, but, officially, no one has appointed or endorsed them for participation in the talks. Parties which were unable to save the people from tragedy should, I believe, shut up once and for all, for their political bankruptcy is obvious. And it is indeed inexplicable why they are again acting in the republic's name today.

[Karakhanin] In connection with the tragedy which has taken place, people often and, evidently, justly mention the Law on the Rehabilitation of Repressed Peoples—or, to be more precise, its imperfection.

[Aushev] Each of these peoples, obviously, requires a separate document. The Ingush need to be able to return to the homes they used to live in. Incidentally, something like this has already been done in Dagestan: Housing has been returned to the Chechen-Akkinty. Of course, it is not a matter of offending the new owners: The former owners should be given compensation, building materials, and plots of land.

People in North Ossetia do not agree, but I do not think that that is the opinion of the whole people. Let Prigorodnyy Rayon remain in their republic, but the land and homes of the Ingush must be returned to them. And as for borders.... Surely neighbors do not cease to be neighbors when they have put up fences?

[Karakhanin] Stormy debates have flared up between the Russian and North Ossetian Supreme Soviets over the national guard and the means through which it armed itself. What is your position?

[Aushev] All armed formations existing outside the Armed Forces and the network of the Russian Internal Affairs' organs are unlawful. Otherwise any republic on the decision of its parliament would be able to create its own combat detachments. As far as I know, the Russian Security Council also supports this view.

As for weapons and armored vehicles for the guardsmen, these were probably designed at one time for South Ossetia, which was used as a hook to keep Georgia in the Soviet Union.

[Karakhanin] It is obvious that one of the main reasons that the number of "hot regions" is multiplying lies in the fact that offenders go unpunished. Right now the Russian Prosecutor's Office has its investigation brigade working in the conflict zone. Is it possible that we will find out the names of those who should carry responsibility for what happened on the banks of the Terek?

[Aushev] I fear that once again matters are being restricted to the "small fry".... I do not want blood, but I think that the leadership of Russian departments which by their line of work are supposed to prevent conflicts should also bear responsibility. So also, however, should those who headed Prigorodnyy Rayon, where it all happened.

Is it an accident that the information blockade of the conflict zone is continuing? The newspapers and airwaves are overflowing with stories about deported Palestinians, at a time when 65,000 Ingush refugees have been wandering without shelter or bread in Russia itself for three months, and the list of those missing in action numbers around 800 people—no one is worried by this!

[Karakhanin] It will be spring soon and the roads in the hills will be opened. Won't the shots ring out anew?

[Aushev] There are, of course, people whom no one and nothing will stop.... But in general, the main task right now of the administrators and leaders of both republics, I believe, is to return the refugees to their homes; then

peaceful occupations will keep them from war. We need to build homes and sow grain. The choice is simple: Will this land have a dead zone in the thrall of the law of vengeance, or habitable localities healing their bloody wounds?

Thus the first step is to introduce federal government in Prigorodnyy Rayon; only thus can the safety of the refugees who want to return be ensured.

[Karakhanin] At the basis of the conflict between Ingush and Ossetians many see the problem of relations between Russia and Chechnya. Can you, as a military man, surmise how events might develop if it comes to an armed confrontation?

[Aushev] If Russian tanks were to pass through en route for Grozny? You know, people are often told only part of the truth. They acted that way with us in Afghanistan. I very much suspect that the troops were meant to go further than Ingushetia. And I asked the Russian military chiefs: "Surely you don't want a major war?" I don't know what stopped them....

And what would happen after the seizure of Grozny? A major partisan war. The whole of the North Caucasus would flare up. All communications would be severed and fortified positions would start operating in the hills. Death, vengeance, and evil would become the lot of my native land.

[Karakhanin] Other observers fear that with Dudayev already president of Chechnya, you possibly becoming head of Ingushetia, and with Afghan veteran General Valeriy Ochirov as the main candidate for the post of leader of Kalmykia, a "triangle of generals" is being created—won't this pose a threat to democracy?

[Aushev] It is the will of the people whom they elect as their leader. Surely the expression of the people's will and free general elections are not a contradiction of democratic principles? And why should heads of state and republic have to be lawyers? Politics and the art of leading regiments have a lot in common, in my view.

Incidentally, right now a number of social movements in Ingushetia are claiming that it was they who nominated me. Now I deny this. And I do not want to be obligated to anyone in the future, so as not to be a hostage to my "benefactors."

[Karakhanin] Each of them has its own program, its own policy. The National Front of Ingushetia, for example, is geared to unification with Chechnya in a single Vaynakh state, although a recent congress of the Ingush people unequivocally supported unity with Russia.

[Aushev] Yes, the Chechens are our brothers. I believe we will live as good neighbors and help one another. But the Ingush Republic will remain within Russia and base its relations with it on the Federation Treaty. There are forces which are seeking to destroy and weaken Russia and rifle its riches. This is why it is necessary to have a "containment ring" around it. And I believe that in time

relations between the republics will be restored and strengthened: We cannot live without one another.

Afghan Veterans To Help Settle Ossetia-Ingush Conflict

OW2402141893 Moscow INTERFAX in English 1343 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Afghan war veterans, at their regional conference in Kabardino-Balkaria on February 27, are going to set up a committee for reconciliation in North Ossetia's Prigorodnyy Region.

The tasks of the committee, the statute on which has to be approved by Afghan veterans from all Caucasian republics, will include taking steps to ensure the safety of Prigorodnyy Region's population, looking for hostages and trying to have them released, and patrolling the conflict zone. The veterans are also planning to form a commission to monitor Ingush-Ossetian agreements.

All these organizations are to be incorporated in the system of the provisional administration of North Ossetia and Ingushetia.

The conference is going to appeal to the leaders of the republics involved in the conflict to take measures to prevent fanning up hatred and settle the conflict by political methods.

After the conference is over, its participants will ship two lots of humanitarian cargo sent to North Ossetia and Ingushetia.

Chechen Parliament Leader Ready To Negotiate

OW2402211393 Moscow INTERFAX in English 1658 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Khusayn Akhmadov, the chairman of the Chechen parliament, expressed readiness to continue negotiations with Russia related to the conclusion of a treaty on the division and mutual delegation of power. In his interview with Interfax on Wednesday [24 February] in Grozny, he pointed out that it is expedient to conduct a meeting of the delegations in Dagomys because the negotiating process between Russia and Chechnya began there a year ago.

Mentioning the opinion poll on the attitude to the new edition of the Constitution, conducted in Chechnya on February 19 on the initiative of President Dzhokhar Dudayev, Akhmadov declared that its results will have neither legal nor juridical consequences.

According to official information, 136,000 citizens of Chechnya participated in the opinion poll, 97

of them favored the new wording of the Constitution. This constitution foresees, in particular, strengthening of presidential power in the republic.

The Chechen parliament which has abolished Dudayev's resolution on conducting the opinion poll, believes that the new edition of the Constitution is aimed at establishing presidential rule in Chechnya. Sources in parliamentary circles assert that the majority of the republic's population boycotted the poll.

Archangel Oblast Signs Cooperation Agreement With Norway

LD2502122493 Moscow Mayak Radio Network in Russian 1000 GMT 25 Feb 93

[Text] An agreement on economic and social cooperation has been signed between Archangel Oblast and the northern Norwegian province of Finnmark. It envisages the building of coastal fishing vessels at the Severodvinsk defense shipyard. The cooperation will concentrate on fishing, which is the traditional economy activity in the two areas. The Norwegian Government has given Finnmark Province 5 million kroner to invest in Archangel Oblast.

Krasnodar Kray, Bulgaria Sign Economic Agreement

LD2402232993 Moscow ITAR-TASS World Service in Russian 1916 GMT 24 Feb 93

[By ITAR-TASS correspondent Aleksandr Stepanenko]

[Summary] Sofia, 24 Feb (ITAR-TASS)—An agreement on trade and economic links and scientific cooperation between Bulgaria and Russia's Krasnodar kray was signed here today. Bulgarian Trade Minister Valentin Karabashev and Nikolay Yegorov, head of the Krasnodar kray administration, signed the agreement. This is the first such document regulating direct cooperation between Bulgaria and one of the major regions in the Russian Federation.

In the first instance, the sides are going to cooperate in the sphere of agriculture, the production of consumer goods, forestry and the oil-refining and chemical industries, as well as machine-building, construction, and a number of other spheres. They will use various forms of trading and economic cooperation, including direct links, the establishment of joint ventures, and production-commercial associations. An agreement in principle has been reached on establishing the joint-stock company "Bulgaria-Kuban" with the participation of state and private firms to facilitate the implementation of the agreement.

International Affairs**Ratification of START I Possibly Delayed**

OW2402165793 Moscow INTERFAX in English 1558
GMT 24 Feb 93

[Report prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] A leading member of the parliamentary commission on foreign affairs, Bogdan Goryn, believes that the Ukrainian president's statement as to the speedy ratification of the START-I treaty was "premature". "The president said so, because his station prompts this," the parliamentarian told the local press. According to him, parliamentary debates on the politico-legal, economic and military aspects of the treaty will take a long time. Goryn could not indicate even tentatively when the possible ratification of START-I might take place.

IF [INTERFAX] Note: At one of his recent meetings with journalists Leonid Kravchuk said: "Western concern in connection with the process of this treaty's ratification is understandable, since the emergence of several nuclear states in the former USSR might upset the balance of forces and call in question the agreements reached in the area of disarmament and nuclear arms non-proliferation." "I cannot allow Ukraine to take such an irresponsible step, as refusal to ratify START-I," the president said in mid February upon his return to Kiev from London. Nevertheless Kravchuk dismisses the allegations that the West, particularly Britain and the European Bank for Reconstruction and Development, link the issue of aid to Ukraine to the ratification of START-I by the Ukrainian parliament.

In the agenda of the parliamentary session that began on February 16 the following issues were given top priority: elections to the Constitutional Court; draft bill on the cabinet of ministers; amendments and addenda to the bills on the privatization of housing and on military service; amendments and addenda to the Civil and Criminal Codes.

Kuchma Denies Knowledge of Gas Supply Termination

OW2502141393 Moscow INTERFAX in English 1353
GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] Ukrainian Prime Minister Leonid Kuchma stated that he knew nothing about Moscow's decision to terminate gas supplies to Ukraine.

"The Russian government did not take such a decision. My telephone calls with Viktor Chernomyrdin yesterday confirm this," he told Interfax in Ashgabat, where he had arrived for a visit.

He also said that if there were problems in relations between the two states' gas-industry enterprises, they were quite natural and had to be solved.

Assessing prospects for his forthcoming talks with the Russian prime minister, Kuchma said that "they will take place in the near future".

"We shall go to Surgut, most probably next week," he said. Besides that, there are other problems which Russia and Ukraine must tackle, including the foreign debt which alienates foreign creditors from us, he said.

"Russia has advanced a number of political terms which independent Ukraine will never accept," Ukraine's Deputy Foreign Minister Aleksandr Makarenko told reporters in Ashgabat.

"Russia would like to secure a 50-year rent of Sevastopol and to obtain part of Ukrainian property on Ukrainian territory," he said. "Russia is ready to supply us with gas and oil at reduced prices on the condition that Ukraine makes political concessions. All this is reminiscent of the mother country's diktat in relation to the colonies. No one will ever accept such terms," Makarenko added.

He also said that on Monday [1 March], Kuchma and Chernomyrdin are expected to begin talks in Moscow. "They are practical-minded people, so I hope they will solve this problem" he said.

Vice Premier Confident Pipelines To Remain Functional

OW2302175593 Moscow INTERFAX in English 1653
GMT 23 Feb 93

[Following item transmitted via KYODO]

[Text] On Wednesday [24 February] Yuliy Ioffe, Ukrainian Vice-Premier who specializes in fuel and energy industries, will meet Yuriy Shafranik, Russia's Fuel and Energy Minister.

On Tuesday Ioffe told journalists that he and Shafranik will discuss, above all, participation of the Ukrainian personnel in operating Tyumen oil fields in Western Siberia. The presidents of the two countries had agreed that oil to be produced in wells that are restored by Ukrainian engineers and workers will be pumped into Ukraine.

Commenting on the intention of the Gazprom joint stock society to discontinue gas supplies to Ukraine on February 25, Ioffe said "there is no question of Russia actually closing the valves of pipelines." He said that such a decision could only be made "at the government level."

Ioffe also said that his country may start paying for Russian gas and oil at world prices if Russia pays in dollars for pumping its gas across Ukraine into Europe.

Plyushch: 'No Political Force' Could Revive Soviet Union

OW2402140793 Moscow INTERFAX in English 1344 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] There are no political forces that could revive the Soviet Union, Chairman of the Ukrainian parliament Ivan Plyushch told Ukrainian TV on February 23.

He also said that there are just a few Ukrainian deputies who would welcome the roll-back to the past. The majority of deputies support Ukraine's independence, although they are aware that Ukraine should broaden mutually-advantageous relations with other states, above all with Russia, he said.

Ivan Plyushch believes that priority must be given to economic integration within the limits of the former Soviet Union and to the development of market relations. However, it is inadmissible to create supra-state bodies that would establish economic relations in an administrative way.

He also said that Russia was not an empire. Like Ukraine and other republics, it was part of a huge empire, he said. And even though some of Russia's leaders behave in an imperial way, Ukraine should not associate them with the whole of Russia, he added.

In May, the Ukrainian parliament should discuss the government's report on the utilization of additional powers and extend them for another year, said Ivan Plyushch.

He also expressed his opposition to the idea of confirming Ukraine's new constitution by a specially convened constituent assembly or in a referendum. The Ukrainian population is not prepared for the referendum on the constitution because of the current polarization of political forces.

Speaking about the possibility of lifting the ban on the Ukrainian Communist Party, he said that many of the deputies support this idea, not just to restore the Communist Party, but to exclude reprisals against rank-and-file party members.

He described the campaign of collecting signatures in support of early parliamentary elections, which the RUKH movement intends to hold in May, as useless. Even if the required 3 million signatures are collected, the parliament will have to consider the results of this campaign, adopt a resolution on the referendum, hold the referendum and then take the decision on self-disbandment.

He noted, however, that in the absence of a new constitution which is expected to define Ukraine's state set-up and the role of the parliament, early parliamentary elections would be useless.

Toepfer Promises Support for Peaceful Nuclear Use

LD2202164493 Berlin ADN in German 1554 GMT 22 Feb 93

[Excerpt] Kiev (ADN)—The Minister for the Environment Klaus Toepfer (Christian Democratic Union) has promised the Ukraine comprehensive support from Germany for the peaceful use of nuclear power. This concerned in particular cooperation to guarantee the safety of nuclear power stations, said Toepfer in Kiev today during talks with the country's leading politicians.

Toepfer, who arrived in the Ukrainian capital 21 February, met the head of state Leonid Kravchuk, among others. The president reaffirmed his country's interest in cooperation with Germany in the area of reactor safety. "We know of the rich experiences which Germany has regarding the use of nuclear power stations," Kravchuk said. These could also be of great value for the Ukraine, he said. At the same time the president pointed out that the Ukraine could not currently do without nuclear energy for economic reasons.

Minister Toepfer also visited the Chernobyl nuclear reactor today to brief on the state of the blocks which were functioning. The biggest catastrophe in the history of the peaceful usage of nuclear energy took place at the nuclear power station on 26 April 1986. [passage omitted]

Skeptical on Chernobyl Shutdown

AU2402175593 Duesseldorf HANDELSBLATT in German 24 Feb 93 p 8

["er"-initialed report: "Chernobyl Shutdown Subject To Series of Imponderabilities"]

[Text] Moscow, 23 February 1993—Ukraine will stand by its 1991 parliamentary decision to shut down the Chernobyl nuclear power plant in 1993. This has been confirmed by leading government representatives in Kiev in talks with Environment Minister Klaus Toepfer. The minister, who opened a German-French office for nuclear safety issues in Moscow on 23 February, noted that numerous imponderabilities stand in the way of that "phase-out resolution." Nevertheless, Toepfer said: "Chernobyl must be closed quickly."

The damaged power plant in Chernobyl, whose Number One and Number Three blocks are in service and providing the region with 2,000 megawatts (MW) of power, makes a considerable contribution to the energy supply of Kiev, leading Ukrainian officials said. Replacing it with other energy sources such as coal and gas are hardly possible in the short term and is becoming more and more expensive, not least since the Russians drastically increased the price for gas, Ukraine has pay for in foreign exchange.

According to Toepfer, Ukrainian Vice Prime Minister Yuliy Ioffe summed up the issue: "We want to shut

Chernobyl down. After all, this was decided by parliament. We will be 2,000 MW short then, however." On the afternoon of 22 February, Toepfer visited the damaged power plant 90 km east of Kiev, where on 26 April 1986 the worst accident in a nuclear power plant anywhere occurred in the Number Four block.

At the end of 1991, the parliament Ukraine agreed on a moratorium, according to which Chernobyl does not only have to be closed down but the construction of further nuclear power plants was banned. Ioffe, as well as Ukrainian Prime Minister Leonid Kravchuk, see "no chance" at the moment for opening new power plants, although three almost completed WWR 1,000-type reactors exist near Kiev. The people would not even accept the opening of these plants, even though Western experts described them as much safer than the RBMK-pressurized water reactors of Chernobyl.

Yet, even these plants must be reequipped with Western technology to meet Western safety requirements. The federal environment minister is, above all, thinking of the reactor at Zaporizhzhya, which is close to completion: This reactor, which could be completed and reequipped with Western technology in one and one-half years, is comparable to the one at Stendal, in eastern Germany. The Cologne-based Society for Reactor Safety (GRS) devised a safety analysis for Stendal, which could serve as a model for the Ukrainian nuclear power plant of Zaporizhzhya.

Some experts have now speculated that Ukraine might water down the moratorium: Chernobyl could be taken off the grid but, in turn, the reequipped nuclear power plant of Zaporizhzhya be put on. Moreover, so far there is no power line from Zaporizhzhya to Kiev—and some 1,000 MW energy would still have to be saved in Kiev.

Nuclear Non-Proliferation Treaty Not Yet Signed

Another obstacle to closing down Chernobyl is that Ukraine—with, after all, the world's third-largest nuclear potential—has not yet signed the Nuclear Non-Proliferation Treaty. Prime Minister Kravchuk confirmed toward Toepfer that Ukraine will eventually sign the treaty, but he would not give a time.

The Kiev government's failure to sign the treaty is not without consequences: No state, neither Germany or even Russia, are allowed to export nuclear technology to Ukraine, not even equipment that is relevant for safety. The reason for Kiev's hesitation: One would like to emancipate oneself from Russia out of a position of strength. The nuclear arms potential stored in Ukraine is thus regarded as a pawn for fair negotiations between Moscow and Kiev.

In Chernobyl, the Ukrainian parliament's "phase-out resolution" is being challenged vehemently. Sarokin, the plant director, is mainly worried about 19,000 jobs, 4,000 in the power plant itself. Moreover, the workers are Russians. Sarokin pointed out that in neighboring Smolensk, in Russia, and in Lithuania RBMK-reactors

are operating. There are 16 such reactors in eastern Europe. The Chernobyl plant director noted that closing the plant would "only be a pseudo-increase in safety."

During his visit, Toepfer saw no evidence in the plant of an imminent shutdown. Moreover, the Christian Democratic Union [CDU] official, who had visited Chernobyl once before, expressed considerable doubt whether the plant management will develop a "reliable phase-out plan" this year. After all, even a closed reactor needs energy to cool the fuel rods. As Sarokin stated, "machines for steam generation"—translated as "locomotives" by the interpreter—have been ordered in Romania. At the same time, the Russian emphasized that considerable improvements in safety technology have been made at Chernobyl. A delegation of EC experts, however, which arrived a few weeks ago, came to completely different conclusions.

Meanwhile, the "SVT" group of experts from Hamburg complained about numerous deficiencies in protection against fire. The experts stated that the measures implemented by management are not sufficient for safe operations. This impression was confirmed in Chernobyl by Adolf Birkhofer, manager of the Society for Reactor Safety. Like Toepfer, he favors closing the plant as soon as possible.

Birkhofer, who has been chairman of the federal Reactor Safety Commission for two weeks, was worried about interim storage of about 17,000 spent fuel rods in Chernobyl. Some 12,000 rods are stored in a "swimming pool" built under great pressure in 1986 immediately after the disaster. The way in which these rods, each of which is loaded with 113 kg uranium, are dealt with is not consistent with German safety standards, the expert said.

Together with French Energy Minister Billardon, Toepfer opened the German-French office for reactor safety in Moscow. Ten employees will advise Russian experts in safety issues. The investment costs, which are shared by Bonn and Paris, amount to a one-time expense of 1 million German marks [DM] and DM500,000 annually in operational and personnel costs.

Rumors of Kiev, Belgrade 'Love Affair' Viewed

PM2402163593 Moscow PRAVDA in Russian
24 Feb 93 p 1

[Report by Ilya Tikhomirov: "Ukraine: About How Barges Prevented 'New World Order'"]

[Text] Kiev—Ukraine is having to justify itself again. This time over the hints circulating the world that there is a secret love affair between Kiev and Belgrade. It is claimed now here, now there, that despite the embargo and strict UN sanctions Ukraine is "feeding" oil to disgraced Serbia. Impetus was given to these rumors by press reports of the impertinent trip by the tugboat Bikhach escorted by six barges along the Danube from the port of Reni through the territory of Romania and Bulgaria.

The Ukrainian Foreign Ministry had to issue a special statement.

Everything would seem to have been explained and fallen into place. But then there was a piece of bad luck: The Ukrainian Foreign Ministry is now perturbed by a completely different circumstance. What one? It turns out that "individual mass media have transmitted a report that Belgrade sees Kiev's unconditional observance of the embargo on the delivery of oil as a manifestation of an anti-Serbian position and is threatening to introduce sanctions against Ukraine in response."

But Ukraine cannot recognize that unconditional observance of the Security Council decisions is viewed as a hostile stance with regard to Serbia.

So are the Serbs displaying displeasure for no reason? No, they are not. And the public atmosphere taking shape around this issue on the shores of the Danube is evidence of that. During the "sorting out" involving the Bikhach the poet and academician Boris Oleyunik published his own statement, which went beyond the framework of the incident. He urges that particular Balkan republics should not be stifled by sanctions and calls for the fratricidal war to be ended. Because the grief of the Balkan peoples, the grief of the Serbs, is our common grief.

"We forget this particularly now that the only superpower, which has established its own 'new order' is walking about cracking its whip at people's legs," Boris Ilich notes ruefully. "For who will guarantee that, for instance, after the Serbs, it will not choose Ukraine? To defend its own national interests..."

...Of course, so far these are all predictions. But on the other hand here, approximately, is how one fragment of the talk mentioned at the beginning between U.S. Secretary of State W. Christopher and Foreign Minister A. Zlenko looks. Kiev has been charged with the obligation of apprehending all Serbian vessels.

And here is one more curious fact: Three officers from the U.S. customs service are now in Ukraine to observe the activity of the port administration in Reni. And this is obviously only the prelude to the start of work by the mission for maintaining sanctions in the ports of Reni and Izmail, which is now being instituted. But who can guarantee that at "moment x" foreign customs officials will not impede trade between Ukraine and... no, not Serbia, but any other state which at that time is in disgrace with Washington?..

Odessa To Tighten Enforcement of UN Sanctions

OW2402211293 Moscow INTERFAX in English 1930 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] The Ukrainian president's representative in Odessa Region has signed an order to tighten the enforcement of UN sanctions against Yugoslavia. The administrations of seaports in the region are told to

suggest additional measures designed to improve identification of the ship nationality in order to prevent delivery of goods to Yugoslavia.

The ports and shipowners in the region are not allowed to receive passengers or cargos for any businesses in Yugoslavia. The shipowners are told to report any violations of the UN sanctions to the Odessa branch of state supervision.

The Ukrainian customs services in the region are told to tighten controls over licensing the shipments of goods and passengers from Ukraine.

Authorities Detain Vessel for Breaking UN Sanctions

LD2402141693 Kiev Radio Ukraine World Service in Ukrainian 2300 GMT 23 Feb 93

[Text] A Yugoslav vessel, the Komovi, has been detained in the port of Izmail. Its crew has violated UN Security Council sanctions while crossing Romanian waters. All the circumstances are being ascertained by representatives of the UN mission who are working in Danube ports. The present affair should be viewed from the point of view of the efficacy of the memorandum signed recently between Ukraine, Romania, and Bulgaria. The memorandum deals with their joint actions on the Danube with regard to UN sanctions concerning the former Yugoslavia.

Hungarian Delegation To Discuss Joint Air Defense

OW2502122993 Moscow INTERFAX in English 1050 GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] A Hungarian military delegation led by the air defense and aviation inspector general Bela Balg arrived in Kiev on Wednesday [24 February]. According to the Ukrainian Defense Ministry, the delegation will meet the acting chief of staff Colonel-General Anatoliy Lopata and the commander of the air defense Lieutenant-General Mikhail Lopatin.

On Thursday evening the two sides plan to sign protocols on the cooperation of air defense systems and air forces and mutual payments for flights.

Plyushch Heads Delegation Visiting Turkey, Greece

OW2402145893 Moscow INTERFAX in English 1427 GMT 24 Feb 93

[Report by diplomatic correspondents Andrey Borodin, Igor Porshnev, and Dimitriy Voskoboinikov; from the "Diplomatic Panorama" feature—following item transmitted via KYODO]

[Text] A delegation of Ukrainian parliamentarians led by the Speaker, Ivan Plyushch, left for Istanbul on Wednesday [24 February]. They'll take part in the meetings between the heads of parliaments from the countries involved in the Black Sea economic cooperation organization, and in the founding conference of its parliamentary assembly. IF [INTERFAX]'s correspondent was told at the press center of Ukraine's Parliament.

In an interview given before his departure, Ivan Plyushch reminded those present that in January, 1992, an agreement on cooperation in the political, economic and other areas was signed on the level of presidents and parliamentary speakers from the Black Sea countries. Now, he said, the time has come to "provide a legal base for that document". He said that a major problem faced by the region is "the worsening ecological situation in the Black Sea".

The Ukrainian legislators intend to go from Turkey to Greece. They aim to establish interparliamentary ties and discuss the prospects for Greek investments in the Ukrainian economy.

Iranian Embassy Delegation Arrives in Kharkov

LD2202175093 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 22 Feb 93

[Text] Behzad Mazaheri, the ambassador extraordinary and plenipotentiary of the Islamic Republic of Iran, and Hamid Farhreddini, councillor to the ambassador on issues of industry, arrived in Kharkov today. They were received by Oleksandr Maselskiy, presidential representative for Kharkov Oblast. A broad range of issues in the development of relations in various spheres and activities was discussed on a mutually favorable basis. In particular they discussed preparations by the Iranian side to supply energy carriers, medicines, clothing, footwear, and food products. The guests are interested in cement, metal products, (?diesel) turbines, and toxic chemicals.

Mutual aspirations were expressed to broaden links in the cultural sphere and in art.

National Affairs

Talks Between Government, Donetsk Miners Fail

LD2402221093 Moscow ITAR-TASS in English 2156 GMT 24 Feb 93

[By ITAR-TASS correspondent Anatoliy Gordeyev]

[Text] Donetsk February 25 TASS—Talks between Ukrainian trade unions of miners and the Ukrainian government, which had been going on for nearly two weeks, have ended to no avail. Miners' demands insisting on the government's acting in compliance with the last year's tariff agreement and amending the corresponding agreement for 1993 have been ignored.

In this connection and taking into account the situation which emerged in the industry after the Ukrainian Cabinet of Ministers had adopted a number of decrees, infringing on the rights and interests of workers and work collectives, the Executive Bureau of the Ukrainian Trade Unions of Coal Industry has adopted a resolution to call a 24-hour strike. The strike will begin early on February 26.

If the government ignores the warning strike, in March coal miners will go on a general strike.

Cabinet of Ministers Creates Committee for Oil, Gas

WS2502144593 Kiev KHRESHCHATYK in Ukrainian 16 Feb 93 p 2

[Report attributed to the press service of the Ukrainian prime minister: "Committee for Oil and Gas"]

[Text] The Ukrainian Cabinet of Ministers has adopted the Statute of the State Committee of Ukraine for Oil and Gas. The committee will be charged with oil and gas production, purchases, shipment, and refinement, as well as the supply of the economy and people with oil products and natural or condensed gas. The committee will also be responsible for the construction of facilities for the enterprises and organizations of the oil and gas complex and for the production and repair of equipment.

Crimea Supports Speedy Approval of Bill on Parties

LD2502105593 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 25 Feb 93

[Text] The Supreme Council of the Republic of Crimea should speed up the approval of a law on civic societies. This demand was advanced to the highest legislative body of Crimea by participants of the founding conference of the Russian Party of Crimea. The draft law envisages a ban on the registration of parties on the peninsula, the leading bodies of which are located beyond its boundaries. An observer of the News [Novyny] television network emphasizes that this contradicts the resolution of the Ukraine Supreme Council on the delimitation of authorities between both legislative bodies. As far as the Russian Party of Crimea is concerned, it supports frankly separatist positions.

Defense Ministry Opposes Formation of Army Trade Unions

LD2502132193 Kiev Radio Ukraine World Service in Ukrainian 1100 GMT 25 Feb 93

[Text] The setting up of trade unions in the Ukraine Armed Forces at the present stage is inexpedient, the Ukraine Defense Ministry believes. In particular, it supports its position with the imperfect state of the bill on trade unions. Current legislation referred to in the relevant directive of Defense Minister Konstantyn Morozov does not envisage the functioning of a trade union civic organization in the Army.

Press 'in Jeopardy,' Appeals for State Support
PM2402150793 Moscow IZVESTIYA in Russian
16 Feb 93 pp 1-2

[Correspondent Sergey Tsikora report: "Fourth Estate Appeals for Help"]

[Text] Kiev—The existence of the Ukrainian press is in jeopardy, according to the editors and journalists of a number of leading publications in the republic. They have published an unprecedented appeal "To the People of Ukraine, the President, the Supreme Soviet, and the Cabinet of Ministers" in the Ukrainian periodical press.

The appeal says that the Union of Journalists and the editors of various newspapers "have repeatedly asked the Ukrainian president and government to give state support to the press, as is done in Russia, Kazakhstan, and various other CIS states. But all these appeals have remained unanswered and are blatantly ignored."

The latest spiraling prices have placed the future of the Ukrainian press in jeopardy. The Ministry of Communications, which has a monopoly on the distribution of newspapers and journals, is demanding "a terrible price" for its services as of 1 April: 6.90 karbovantsy per copy! This exceeds the total cost of paper, printing, and journalists' wages per newspaper issue.

The appeal describes these actions as "a terrible blow to the Ukrainian press and social thought." Worn out by poverty, malnutrition, and life's adversities, the document continues, people will be in no state to pay 3-4,000 karbovantsy for just one publication.

So what do journalists propose? Essentially, their demands consist of three points: to free the press of the burden of taxes; not to tax communications services for the dispatch and delivery of newspapers and journals; and to place all press organs on an equal footing and not allow parliament and government newspapers to be

subsidized from the budget. The document stresses that, as the government has devalued the karbovanets, it must compensate for the losses incurred by subscribers and editorial offices as a result of the drop in the exchange rate of the national unit of currency.

True, there is also another demand, which is not included in the appeal but has been made public by newspaper editors, who gathered for a "roundtable" in front of the television cameras of Ukrainian Television's Channel One. They demanded that the highest state authorities take urgent and effective measures against those Moscow newspapers beating a path to the Ukrainian subscriber by dishonest means: by setting dumping prices for their publications.

This is not a farfetched problem. Recently it has become less of a purely economic problem and more of a political and interstate problem. The other day the front page of the republic newspaper DEMOKRATYCHNA UKRAYINA carried information on the prices at which Russian and Ukrainian publications are being sold in Kiev kiosks. For example, DEMOKRATYCHNA UKRAYINA (a double issue) costs 12 karbovantsy, whereas Moscow's 16-page ROSSIYSKAYA GAZETA costs 3 karbovantsy (5 rubles in Moscow), TRUD costs 9 karbovantsy, and KOMSOMOLSKAYA PRAVDA costs 6 karbovantsy. Meanwhile, the retail price of the Ukrainian newspapers PRAVDA UKRAINY and KYIVSKA PRAVDA is 10 karbovantsy and 8 karbovantsy respectively...

I shall not comment on the underlying reason behind this phenomenon, because it is obvious. But I will point out for the sake of objectivity that IZVESTIYA's absence from this list has nothing to do with modesty or innocence. Our newspaper is currently sold at the highest price of all, but fortunately it is standing up to competition at the moment and is never left unsold on the newsstands.

Belarus**Shushkevich Reinforces Nuclear 'No Gambling' Policy***OW2402164093 Moscow INTERFAX in English 1555 GMT 24 Feb 93*

[Report prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] Leader of the Belarusian Parliament Stanislav Shushkevich has rejected offers for the sale of nuclear and conventional weapons via broker-countries, chairman of the parliamentary commission for national policy and CIS affairs Mikhail Slemnev said speaking in an exclusive interview with Interfax.

He also spoke of a string of proposals by leading deputies and separate factions to declare ownership of the nuclear weapons deployed in the country to make the international community reckon Belarus as a large nuclear power. The parliamentary official said that there was no change in Shushkevich's tough policy of no gambling with nuclear weapons.

On the possibility of the country's joining the CIS collective security agreement as an associated member, Slemnev said the issue would probably come under discussion at the next session of the Belarusian Parliament.

On Belarus's mediation in settling the Dniestr conflict, he said that even if symbolic, its involvement in defusing the conflict "had poured cold water on the belligerence of the warring sides".

IF [INTERFAX] Note: Last summer, ex-Speaker of the Moldovan Parliament Alexandru Mosanu had asked for Belarusian brokerage in the confrontation between Chisinau and Tiraspol leading to Slemnev's appointment as the country's chief mediator in regional peace talks.

Churkin Says Military May Purchase Arms Outside CIS*OW2402140293 Moscow INTERFAX in English 1343 GMT 24 Feb 93*

[Following item transmitted via KYODO]

[Text] Major-General Nikolay Churkin, the head of the Belarusian armed forces chief of staff and the republic's first deputy defense minister does not rule out the possibility that military hardware and weaponry will be purchased from countries outside the CIS. "If the product is of good technological quality and inexpensive then Belarus may well purchase from the West," he told a Minsk press conference Wednesday [24 February].

Churkin told an INTERFAX correspondent that fire arms were being manufactured in Belarus "mainly to supply the Belarusian armed forces and not for export purposes."

Churkin then described his recent visit to the NATO headquarters in Brussels to which he had been invited by the organization's General Secretary Manfred Woerner. Churkin stressed that the NATO leadership was "sympathetic to the Belarusian policy of non-intervention in the internal affairs of other states and its drive towards nuclear free status and neutrality as a state."

Officers Return From Service in Other CIS States*PM2402161593 Moscow KRASNAYA ZVEZDA in Russian 18 Feb 93 p 3*

[Report by BELINFORM correspondent Leonid Tatsevskiy and TASS: "Belarusians Returning Home To Serve"]

[Text] Minsk, 17 Feb—Approximately 1,000 Belarusian officers and ensigns who were serving recently in the armies of the Commonwealth states and in military districts of the Russian Armed Forces have returned to Belarus following the corresponding decree adopted by the republic's Council of Ministers last October. Reporting this to a BELINFORM correspondent, Genadiy Danilov, chief of the Council of Ministers Public Safety and Defense Administration, emphasized that the quick return home of Belarusian career servicemen who wished to do so was made possible thanks to good mutual understanding and cooperation on cadre issues among the Commonwealth heads of state and government and between the Belarusian military department and colleagues in the CIS.

Republic To Police Border With Ukraine*PM2502114593 Moscow KRASNAYA ZVEZDA in Russian 19 Feb 93 p 1*

[Valeriy Kovalev report: "Border Guards Will Appear on Belarus Border With Ukraine"]

[Text] At the end of last year Ukraine set up border details at a number of points on the border with Belarus. This fact has not gone unnoticed by the Belarusian side.

Belarus is planning to deploy two details on the border with Ukraine and, in the longer term, a division of patrol boats. Their main aim will be to protect the Republic's economic interests.

Cabinet of Ministers Discusses Economic Situation*WS2402134093 Minsk Radio Minsk Network in Belarusian 0800 GMT 24 Feb 93*

[Text] The current economic situation in the Republic, the government's tasks for fulfilling the economic program, and the adoption and implementation of the state budget for 1993 were the issues of the regular session of

the Belarusian Cabinet of Ministers which was held on 23 February 1993. Chairman of the State Committee for Statistics Uladzimir Nechyparovich delivered a report. He presented many facts on the difficult state of the Belarusian economy, at the same time noting that these difficulties are not as drastic as our neighbors'.

The slump in industrial and agricultural production, which was noted in late 1992, is deepening. All branches of the Belarusian economy are experiencing difficulties. The economic difficulties are aggravated by hikes in prices for energy resources, disorder in clearing operations, and poor management when signing contracts. These problems were touched upon by Sergey Ling and Alyaksandr Bokach, deputy chairmen of the Presidium of the Belarusian Cabinet of Ministers; and Mikalay Ruman, first deputy minister of finance. But, according to Supreme Council Chairman Stanislav Shushkevich, our only path for survival is the market economy. This is the demand of the times. The transition to the market economy should be done thoughtfully and professionally, without mistakes and losses, keeping in mind the interests of all people, their current and future lives.

Mikhail Myasnikovich, first deputy chairman of the Presidium of the Belarusian Cabinet of Ministers, summarized the results of the session.

Shushkevich on Necessity of Increasing Product Prices

OW2402210993 Moscow INTERFAX in English 1929 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Stanislav Shushkevich, the chairman of the Belarusian Supreme Soviet, declared about the necessity to increase prices for food stuffs. "If we do not raise prices in the near future, it will be worth for us," he said at the meeting with the workers of the Minsk electro-mechanical factory on Wednesday [24 February]. [sentence as received]

According to Shushkevich, lower than in Russia prices for bread, butter, meat, and milk are the cause of export of these products from Belarus. [sentence as received] "Though the government is aware of this fact, it cannot decide to release the prices fearing a social burst," said the head of the parliament.

"If the prices for food stuffs are completely liberalized then they will be much higher in Belarus than in Russia because the prices for which Russia sells its energy and fuel to us are higher than its domestic ones," declared the republican Vice Premier Sergey Ling who attended the meeting. He made it clear that in the near future the state prices for food stuffs sold to the population for coupons will be raised, however, the government does not intend to completely release them.

Bank Decision May Lead to Belarus Leaving Ruble Zone

LD2302181993 Moscow Mayak Radio Network in Russian 1600 GMT 23 Feb 93

[Text] The management of the Belarusian National Bank is drawing up a decision that will restrict to 20 days the time Belarus enterprises can keep Russian rubles in their accounts. This was stated by Stanislav Bogdankevich, the chairman of the Board of the National Bank. Representatives of business circles were shocked by his statement. Roman Vnuchka, the chairman of the Commission for Planning and Budget, has appealed to the bank's management. He asked Stanislav Bogdankevich to postpone at least for a while the adoption of the decision. Belarus will actually leave the ruble zone if such a step is taken. Therefore, it is necessary to think this over again, the chairman of the parliamentary commission said.

Independent Miners' Union Stages Picket in Minsk

WS2402154093 Minsk BELINFORM in Russian 1239 GMT 24 Feb 93

[Text] Members of the Belarusian Independent Miners' Union have staged a picket in Minsk.

Yuriy Krasovskiy, deputy chairman of the Independent Miners' Union at the "Belaruskaliy" industrial enterprise, has explained the purpose of this political action: "On 7 December, our union which includes workers of extracting and processing industries, addressed the Council of Ministers with a proposal to begin negotiations on the conclusion of an agreement on tariffs. Two months have passed, however, and we still have no response. Moreover, the law 'On Collective Agreements' stipulates that negotiations must be started not later than within seven days after either side expresses such a wish. We support the implementation of Belarusian laws. Our final goal is to sign an agreement on tariffs with the government."

Kebich Economic 'Mir Manifesto' Pondered

PM2402124593 Moscow PRAVDA in Russian 16 Feb 93 pp 1, 2

[Correspondent Oleg Stepanenko report: "Vyacheslav Kebich's Mir Manifesto"]

[Text] Minsk—"The government's aim is a socialized economy," the Belarusian premier has stated. The rout of the ideas of indiscriminate and total privatization which he staged makes it possible to see the main thing better—the adventurism and futility of the Yeltsin-Gaydar economic improvisation.

Of all the events that have occurred in the CIS since economic reform began, this is what I would put in first place. Although it was achieved more or less imperceptibly. In the ancient Mir castle, a long way from Minsk. Here, at a meeting with the creative intelligentsia,

Vyacheslav Kebich set out the basic points of the program which, according to him, the government has painfully arrived at over the past year. Commentators with a penchant for catchy epithets immediately christened his speech the Mir Manifesto.

In the punch it packs, in the significance and depth of its assessments, and even in its style it is indeed a manifesto.

"Sometimes it seems to me that we are standing on the brink of a moral abyss and a spiritual catastrophe. Today immorality has become the rule, sharp practice and deceit have become customary, and cynicism has become a virtue. An astonishing metamorphosis of people from various strata has occurred."

That is how the Belarusian premier assesses the current state of society. Of course, there is nothing new in his words. What is more important is something else. He reveals the sources of this terrible calamity that has befallen everyone.

"I realize that the deep-seated reason stems from the economy. Distorted economic relations above all engender a legal and moral free-for-all. Our present-day life eloquently testifies to that. The shambles in the economy has generated a whole wave of militant amorality and brought to the surface of public life greedy mafia groups of predatory smooth operators, or else simply shady characters, trying at any price to feather their nests at the expense of our difficulties and going to any lengths to line their pockets as quickly as possible. The accessibility of easy enrichment corrupts young people, gets them out of the work habit, and generates an atmosphere in which anything goes, morals decline, and lawlessness reigns."

This alone could serve as a verdict on the present radical reform. Which was begun, as is known, by Yeltsin's team and which spread to other republics. Which is why I would apply this verdict first and foremost to the Russian radical reformers.

It sounds particularly sobering against the background of the euphoric rapture with which they themselves and all the "democratic" cuckoos are glorifying what has been done. Starting with Gaydar, who is intoxicated with "demolishing the people's traditions and behavior," and ending with television's "Vesti," which ecstatically noted the main success of the duffer Gaydar, whom deputies had difficulty in kicking out of the circles of power. "In one year he succeeded in doing something that his predecessors were unable to do in six—restructuring the Soviet person's mentality."

What is behind this demolition and restructuring of mentality is clear from Kebich's quoted words. Radical marketeers, who suggested that Soviet people badly needed the shock scalpel in order to "lance the stagnant abscess" and make society better, turned it into a mass of abscesses by their operation.

The Mir Manifesto, and herein lies its special value, debunks the policy of wholesale privatization and limitless price liberalization. Completely demolishing the main stereotypes and myths on which the radical reformers' entire "theory" rests.

"...Even in the most powerful country of the industrial West—the United States—80 percent of the population work as hired labor (that is, they do not have private ownership—O.S.), while private capital has long since not been the sole owner of national wealth there. Only approximately one-third of this wealth belongs to private capital in America, and it has been accumulated over three centuries..."

"The dominance of private ownership in agriculture, which in industrially developed Western countries is carried out on a lease basis, is also a thing of the past. In the United States, for example, around 45 percent of land areas used in agriculture is worked by the lease method, the figure in France being over 50 percent, that in Belgium being around 70 percent, and that in Holland being a full 100 percent."

"What we call privatization has never been carried out in a single capitalist country. Sometimes there are shares there in the nationalization of certain sectors of industry when social democrat governments come to power, followed by their return after the governments have fallen. But these shares never exceed 5-10 percent of the total volume of capacities."

How monstrous the radicals' privatization urge looks in the light of this world experience! And the liberalization of prices, which must supposedly be established by the market itself, looks absurd when we turn to the experience of world civilization.

"All Western states regulate economic activity... by means of price controls and the establishment of firm values for many food products."

Compare what the Belarusian premier said with the radical marketeers' programs and you ask yourself: Where exactly do they lead?

"...Immediate and total privatization, like the breakup of kolkhozes and the handing out of property, could become just one more tragic page in our history," Kebich believes.

It is no accident that the condemnation of the radical reformers was heard on Belarusian soil and was uttered by Kebich. Here, in Belarus, the economy has provided maybe the world's highest annual increases in national income—up to 8 percent. Largely thanks to highly-qualified economic managers. From enterprises right up to the Council of Ministers. They are used to counting and, most importantly, thinking. They immediately realized the disastrousness of the dash to the market and did not set off in blind pursuit of the Russian "sprinters." Even after Yeltsin and Gaydar staged their liberalization shock for Russians, Kebich's government did not touch

food prices for another month. And then it set them at a lower level than its neighbors. Neither did it start forcing privatization through. All this took place under the close-range fire of the "democrats," who were fighting for the release of prices and the distribution of public property.

I think that the first bricks in Kebich's Mir Manifesto were already being laid at that time. Then, in summer, after a Paris seminar organized by the French Government on problems of reconstructing and reforming the economy in Central and East European countries, Kebich told journalists:

"Once again I am convinced that the Belarusian parliament and Government have chosen the correct course in not rushing into the privatization of state enterprises. By elaborating a program for the transitional period in the economy's modernization as a counterbalance to 'shock therapy,' we have saved our people from many trials and tribulations."

At that time life had already started sorting everything out. The economy of Lithuania, which had started down the road of radical market transformations, totally collapsed. The harm they did exceeded the level of that done in any of the worst war years. From a republic that had gone a long way in catching up to Western countries in production of products per capita and per 100 hectares of land, Lithuania turned into a destitute, half-starved area. Russia fell into the economic abyss. Only Belarus survived. Although the reforms caused enormous harm to it too.

What exactly is the Belarusian premier proposing instead of the radical marketeers' destructive and hopeless policy? His own concept and approaches toward reforming the economy. The search started almost three years ago, when Kebich's government was formed. It is only now that the Council of Ministers, according to him, has "revealed its face." "Everyone is so tired of the 'carnival,' of riddles, masks, and half-masks, and of politics' grimaces—integrity and certainty are wanted," Kebich declared to journalists from SOVETSKAYA BELORUSSIYA, the republic's biggest newspaper. This "longing for clarity" that has dogged him all year found an outlet in the Mir Manifesto.

What is the essence of his concept?

"I personally see the aim as being to create a socialized type of economy in which the producer is the central figure, the prosperity of all people is ensured through the prosperity of each person, and the state guarantees all members of society equal starting opportunities."

The features of such an economy, which is close to the economy of a number of West European countries, were outlined by Kebich in his speech. I will say straightaway that it is possible to agree with him on far from everything. That premise, for example, on equal starting opportunities. In heaven's name, what equal starting opportunities can there be under the market and private

ownership, when status and prosperity in society are determined not by labor but the capital of a stockbroker's, peasant's, or worker's son?

Kebich's general premise also looks strange: "...in order to radically change the incentive to work and through this process to make major social transformations, it is necessary first of all to reform ownership relations through privatization and the destatization of state enterprises. That is axiomatic."

It is precisely this "axiom" that was disproved long ago, by political economy; since the time of John Mill, who wrote: "A worker's right to what he has produced is the basis of everything;" and by the history of civilization, starting from the time of the Roman Empire. In its last years provincial decurion landowners and owners left their homes, abandoned their land, and even sold themselves into slavery just to get rid of land, which had become merely an official pretext for merciless extortion by the state. Private ownership has never made man a master anywhere, if an excessive amount of what he produced was taken from him. And, conversely, having the right to the products of his own labor, he became a real master without private ownership. Which is what Vyacheslav Frantsevich [Kebich] strikingly proved by the facts he cited about lessees, who, without being landowners, achieve extremely good results.

Certain erroneous proposals followed from the erroneous general premise. Destatization and the gradual privatization of state property, although conducted at a measured pace over five-10 years, are still destatization and the gradual privatization of state property. The reference to the fact that the capitalist world has a mixed economy, and so we must introduce private ownership, is "irrelevant" here because that world has been moving and is moving away from private ownership toward public ownership, which has enabled it to progress. Why must we rush or crawl back? Is it not better, as progressive Western businessmen and scientists advise, to return to the future? Toward promising integrated forms which were created in our country but perverted and which the modern civilized world is increasingly creating?

The large-scale reformation of ownership, Kebich observed fairly, is socially dangerous. What about small-scale? It is no less dangerous—Belarusian deputies and scientists proved this convincingly in a letter published by PRAVDA 31 December 1992.

Other politically and economically baseless features of the Mir Manifesto can be noted. For example, concerning a sovereign economy. There can simply be no such thing in the modern world.

According to Kebich, the outlines of a socialized economy sketched by him need detailed theoretical work. Fine, this provides an opportunity to eliminate the mistakes evidently made in the heat of battle (you adapt to life as you do in a trench under bombardment), or when seeking compromises with radical reformers, which, alas, have so far led only to losses for the republic.

At least there is hope that Kebich's political and economic team is incomparably stronger than any other.

We can see former Union republics one after the other discarding Russian reformers' radical market recipes. Kazakhstan, Ukraine, Belarus. The Mir Manifesto's value is indisputable in the chain of these events. It has diagnosed the most dangerous economic illness—market fever in its most infectious and destructive form. And it has warned of the impending catastrophe prepared by radical marketeers.

PRAVDA Article 'Harmful and Untruthful'

*WS1802150293 Minsk Radio Minsk Network in
Belarusian 1300 GMT 18 Feb 93*

[Text] On 16 February, PRAVDA published an article by journalist Stepanenko: Vyacheslav Kebich's Mir Manifesto. The article evoked a negative reaction at Minsk Radio. Speaking at a news conference, First Deputy Prime Minister Mikhail Myasnikovich gave the following evaluation of the article:

[Begin Myasnikovich recording] This is a harmful and untruthful publication. I do not know if the author did it on purpose, but the article does not help to build relations, it is not constructive. Look at this wording: Kebich has repulsed, Kebich has fulminated against the Yeltsin-Gaydar plan of reforms....

First of all, neither the government, nor Vyacheslav Frankovich himself has ever spoken negatively of Russian economic reforms; the Mirskoy speech, which you probably have read, is not an exception. The man expressed his stance on the volume of privatization in view of the Belarusian situation. With regards to Russia, quite on the contrary, it was said that Russia was our main partner among all the former Soviet republics. We intend not to withdraw from the Russian market, but to participate there more actively, at the same time opening up the Belarusian market to Russian goods.

I consider this article absolutely irresponsible, also due to its form of presentation. You reporters can see that for the average person, it is hard to distinguish where a quote ends and the author's text begins. One might get an impression that this is a summary of Kebich's speech, while the article contains the author's speculations. I think that these kinds of statements create tension [words indistinct] and may cause severe harm to the Belarusian people. So to say: Do you live better than all the others? Why, then, should we, the people supporting you and working alongside you, live a worse life? I think it can only cause harm to the people and economy of Belarus. I hope that the Russian leadership is wise enough to understand that this is not our government's stance.

I know that Vyacheslav Frankovich Kebich is planning to send a letter to the Russian Government and president with his explanations and the real text of his Mirskoy speech, to set things straight. I told the Russian Deputy Prime Minister Shokhin that this article in no way expresses the stance of our government or its leader.

He accepted my statement with gratitude and its text will be circulated among the government members and in the president's apparatus of the Russian Federation as an official document. [end recording]

Myasnikovich Telephones Shokhin

*LD1902152293 Minsk Radio Minsk Network in
Belarusian 0400 GMT 19 Feb 93*

[Text] Mikhail Myasnikovich, first deputy prime minister of the Republic of Belarus, said the article by journalist Stepanenko "The Mir Manifesto of Vyacheslav Kebich" published on 16 February in PRAVDA, is harmful and untrue and radically distorts the good relations between the Republic of Belarus and Russia. Through the mouth of its author, PRAVDA interprets one of the latest official appearances (in Mir) by the leader of the Belarus Government as a negative appraisal of the policy of reforms in Russia, and this allegedly shows that Belarus intends to curtail relations with it.

Kebich's pronouncements are irresponsibly distorted in the article. One gets an impression that someone wants to drive a wedge into the interstate relations between the neighbors. Mikhail Myasnikovich said he has already telephoned [Aleksandr] Shokhin [Russian deputy prime minister for nationalities] to explain the Belarusian Government's attitude to the PRAVDA article. In addition, official statements and the full text of the speech of the Belarusian prime minister to which the newspaper refers will be sent to Moscow.

Militia Chief on Fighting Economic Crime, Corruption

*WS2402080093 Minsk ZVYAZDA in Belarusian
6 Feb 93 p 3*

[Interview with Uladzimir Mikalaevich Shafarenka, chief of the Department for Combating Economic Crime at the Belarusian Defense Ministry, by newspaper correspondent Alyaxandr Koktysh: "Militia Alone Cannot Disclose All Economic Crimes"; date and place not given—first paragraph is introduction]

[Text] Uladzimir Mikalaevich Shafarenka, chief of the Department for Combating Economic Crime at the Belarusian Defense Ministry, answers the questions from our correspondent.

[Koktysh] Uladzimir Mikalaevich, there are rumors that Belarus—in comparison to Russia and Ukraine—was good at revealing crimes in 1992.

[Shafarenka] Those rumors are well grounded. Last year, the detection of crimes in Russia and Ukraine decreased by 6.5 and 1.6 percent, respectively. As for crime detection in Belarus, it has increased by 18.5 percent. We are also the first (an increase by 44.5 percent in comparison with 1991) in detection of thefts on a large and extra-large scale. These numbers in Russia and Ukraine are unimpressive: an increase by 7.4 and 9.8 percent, respectively.

We have also good records in detection of bribes. We come in second, after Russia. Russia has increased bribery detection by 31.4 percent, while our percentage is a little bit lower—27.4 percent. Ukraine's detection of bribes has decreased by 2 percent.

[Koktysh] Your statistical record is good. But I have learned that in some regions of Belarus, you have not detected a single bribery case.

[Shafarenka] What is more, I cannot even speak about the results of the struggle against bribe takers in half of the Belarusian rayons. Why? Well, you know, it is much easier to catch a bribe taker in Minsk or in any big city. This crime comes to light only in the event that one party makes a statement. If you live in Minsk you can remain unknown, but that will not do if you live in a small town where everyone knows you. There, no one will have the courage to "betray" his countryman. The second important factor is our officers' qualifications. In some units, our officers lack the necessary qualifications. In addition, our staff is not complete. Sometimes, we have one officer for two rayons.

[Koktysh] Have you any information about corruption among your officers?

[Shafarenka] Yes, there are some cases. For example, three tractors have been confiscated illegally from people within Vitebsk Oblast Department of Internal Affairs by our officer N. Fyadzyunin. V. Konanau, deputy chief of Miory Rayon Department of Internal Affairs, at his own initiative, returned 5,630 kilos of copper scrap (which had been previously confiscated) to a small enterprise "Tashnar." Last year, we confiscated nonferrous and rare earth metals worth more than 1 billion rubles and about 13.5 kilos of gold.

[Koktysh] As far as I know, currently, your tender spot is counterfeit currency....

[Shafarenka] We have a lot of tender spots.... But you are right: recently, counterfeit money has multiplied dozens of times. For example, in 1991, counterfeit currency was quite an innovation for us. These days, we are getting such information almost every day. The scope of illegal activities has greatly increased. In 1992, our officers neutralized a criminal group which specialized in production and selling of counterfeit German and Ukraine currency. The group was quite large and included Mr. K., director of a commercial Association "Algrym," who was a speculator of antiquities and a smuggler. P., a Brest citizen, was their counterfeiter. All installations had been purchased abroad. Counterfeit currency was produced in Poland.

By now, we have confiscated 12 million Ukrainian coupons and several thousand Deutsche marks. This operation was our first success. Some members of this group were arrested in Ukraine. Another criminal group which was supported by some leaders of the Ukrainian opposition was arrested in Krym Oblast. There are some other examples. One is clear: our work gets more and

more complicated with every passing day. Our qualified specialists are leaving their service within the ministry for the commercial organs. In addition, our normative acts are changing with every passing day. In a word, every decree and legal norm touches upon our service.

[Koktysh] Last year, you paid a lot of attention to combatting corruption. Any changes in this field of investigation?

[Shafarenka] When Churbanov's case was under investigation, I understood that it was very difficult to prove facts of corruption. It turned out that Churbanov was not a big bribe taker. He was convicted on the basis of some minor bribes. The same goes for us. Generally, only three or four cases out of 40 are brought to court. What is the reason? Is our legislation bad? Are our militia officials too often wrong? Why do the victims refuse to testify? But, it happens that corrupted officials are punished according to their deserts. One official from Grodno Oblast executive council was convicted for taking a hard currency bribery for providing housing illegally. Two high officials from a Molodechno factory were convicted for exporting nonferrous metals from Belarus and taking large bribes.

A notorious case of the State Committee for Oil Production is under way.

[Koktysh] Uladzimir Mikalaevich, your words are not convincing....

[Shafarenka] But why? Our department will be enforced by 50 officers in our oblast departments. Before, we were scared to pronounce the word "corruption." This year, we are more prepared to struggle with it.

New Visa Rules To Be Introduced Beginning 1 Mar

WS2402152593 Minsk BELINFORM in Russian 1518 GMT 23 Feb 93

[Text] As the Foreign Ministry Information Department has informed, beginning 1 March, Belarus is introducing new rules on inviting foreign citizens.

1. All Belarusian juridical persons have the right to independently invite foreign citizens on condition that the latter obtain visas at Belarusian missions abroad:
Belarusian Embassy in the United States (Washington)—fax (202)638-3059; phone (202)638-2954
Belarusian Embassy in France (Paris) — phone 45046282; 45043752
Belarusian Embassy in Austria (Vienna)— fax 2205687; phone 229352
Belarusian Embassy in Switzerland (Geneva)—fax 7344044; phone 7331870
Belarusian Embassy in Poland (Warsaw) — fax 178441; phone 178441
Belarusian Consulate in Gdansk (Poland)—phone 410026

Belarusian Embassy in Israel (Tel Aviv)— fax (9723)5102235; phone 5102236
Belarusian Embassy in Germany (Bonn) — fax (0228)318841; phone 318840
Belarusian Embassy in Russia (Moscow)— fax 9286403; phone 9247095

2. An essential condition for obtaining a visa is some grounds (letter, fax, or telefax from an inviting organization, personal invitation notice from the Interior Ministry Visa Department, visa authorization from the Belarusian Foreign Ministry, vouchers from Belarusian tourist organizations) that must be presented to Belarusian consulates abroad.

3. The following data must be reflected in business invitations: last name and name of the invited person, purpose of visit, time of visit to Belarus, and commitment to provide proper conditions during the stay.

4. If there is no Belarusian mission in a country where the applicant lives and if such a person has no possibility of applying to the nearest consulate, he or she may be granted a visa at the Belarusian Embassy in Moscow, having applied for a Russian transit visa before this.

5. As an exception, entry visas may be granted at border control posts (Minsk-2, Grodno, and Brest) if the applicant has met all the requirements indicated in Paragraph 2.

6. An inviting organization or a private person who has invited a foreign citizen bear all responsibility concerning his or her stay in Belarus in accordance with the current Belarusian law.

Moldova

Move To Cut Gas Supplies to Ukraine Affects Republic

LD2502152593 Moscow ITAR-TASS in English 1345 GMT 25 Feb 93

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Chisinau February 25 TASS—The Russian intention to cut off gas supplies to Ukraine until it pays its

debts for the fuel triggered concern in many Moldovan cities as Russian gas arrives to the republic via Ukraine.

Many residents are chopping fire wood and testing their portable stoves, which they used during the conflict in the breakaway Dniestr region when gas supplies stalled for several months. Moldovans are sure that "the gas attack of Moscow on Ukraine will not bypass Chisinau."

Russia decided to move up the deadline for ceasing gas supplies to Ukraine from Thursday to Sunday expecting that the coming visit of Ukrainian Prime Minister Leonid Kuchma to Moscow will help settle the problem of the debt which amounts to 165 billion roubles.

Foreign Minister Wants UN Observers at Talks With Russia

LD2402190393 Moscow ITAR-TASS in English 1748 GMT 24 Feb 93

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations February 24 TASS—Moldova has called on the United Nations to send U.N. observers to Russo-Moldovan talks on the withdrawal of the 14th Army, according to a letter by the Moldovan Foreign Minister Nicolae Tiu addressed to the U.N. secretary general and circulated on Wednesday [24 February] as a document of the U.N. Security Council.

Having informed that on February 15 the 14th Russian Army began large-scale manoeuvres in Moldova's eastern areas, the Moldovan minister described them as "destabilising actions" which "should be resolutely rebuffed by the international community."

"In this connection I believe it's expedient to include an item in the mandate of the U.N. mission expected to visit Moldova, envisaging the participation of U.N. representatives as observers in bilateral talks on the withdrawal of military units from Moldova, including control over the process of withdrawal," Tiu pointed out.

Kazakhstan

Azerbaijani Delegation Arrives for Official Visit

Meets With Nazarbayev, Tereshchenko

*LD2402175793 Alma-Ata Kazakh Radio Network in
Kazakh 1500 GMT 24 Feb 93*

[Text] President Nursultan Nazarbayev today received the government delegation of Azerbaijan led by Acting Premier Ali Masimov, which arrived in Alma-Ata last night. During the meeting views were exchanged on economic, political and military issues. Possibilities in developing bilateral relations were also discussed [words indistinct] he called on the leaders of the two republics to resume constructive talks in Alma-Ata, where conditions for fruitful dialogue can be created; that is the only way round it. No problem can be solved by fighting or by intervention by third countries or UN troops, which could exacerbate the situation.

On the same day talks were held by the Kazakh government delegation led by Prime Minister Sergey Tereshchenko and the Azerbaijan delegation. Interest was shown in further developing mutually beneficial economic cooperation, which broke down due to the disintegration of the former Soviet Union. As a result of the talks, Sergey Tereshchenko and Ali Masimov signed agreements on principles of trade and economic cooperation between the two republics for 1993, on settling debts and mutual clearing of debts for the last year, on the organization of settlements between their national banks, and on relations in the field of transport. The leaders of the delegations held a news conference.

Nazarbayev Urges Azerbaijan-Armenia Talks

*LD2402161493 Moscow ITAR-TASS in English 1514
GMT 24 Feb 93*

[By KAZTAG correspondent Konstantin Borodinov for TASS]

[Text] Alma-Ata February 24 TASS—President Nursultan Nazarbayev of Kazakhstan today met with the government delegation from Azerbaijan which arrived in Alma-Ata on Tuesday [23 February]. The president and delegation members exchanged views on economic, political and military matters and discussed prospects for the development of bilateral relations.

The president of Kazakhstan called on the leaders of Azerbaijan and Armenia to speed up an end to the fratricidal war and proposed that the warring countries resume constructive talks in Alma-Ata, where he guaranteed to create all conditions for fruitful dialogue.

Nursultan Nazarbayev believes that disputes cannot be resolved by armed force or by armed intervention of third countries or United Nations troops.

Nursultan Nazarbayev said that in his view a point of departure for establishing normal relations between Azerbaijan and Armenia is the restoration of Nagorno-Karabakh autonomy.

As a result of talks an agreement was signed on principles of trade and economic cooperation between Kazakhstan and Azerbaijan in 1993. The two countries also signed an agreement on settling debts and mutual clearing for the last year, on the organization of settlements between their national banks and on relations in the field of transport.

Also on Wednesday, the Azeri delegation flew to Bishkek.

President Offers To Host Dialogue

*OW2502113393 Moscow INTERFAX in English 1049
GMT 25 Feb 93*

[Following item transmitted via KYODO]

[Text] The restoration of Nagorno-Karabakh's autonomy can become the first step on the way to establishing relations between Azerbaijan and Armenia and will assist in ending the military conflict. This point of view was voiced by Kazakh President Nursultan Nazarbayev during his meeting with acting premier of Azerbaijan, Ali Masimov, on Wednesday [24 February] in Alma-Ata.

President Nazarbayev pointed out that the Kazakhs cannot remain indifferent when two peoples are waging war against each other. At the same time, the President emphasized, involvement of third countries or UN forces would only aggravate the situation.

Nazarbayev called the leaders of both republics to resume negotiations in order to stabilize the situation in the region. The Kazakh President proposed to conduct negotiations in Alma-Ata and said that Kazakhstan will do everything to make the negotiations fruitful.

Government To Supply Oil to Azerbaijan

*LD2402185393 Moscow Russian Television Network in
Russian 1700 GMT 24 Feb 93*

[Report by correspondent A. Kondrashev; from the "Vesti" newscast]

[Text] The Azerbaijan Government delegation was the latest petitioner for bread grain when it came to Kazakhstan today. This part of its visit was unsuccessful. The Azerbaijanis were refused bread-grain until the next harvest, because the present stocks of wheat, though colossal, have already been allotted in Kazakhstan right down to the tonne.

The other part of the talks concerning oil did not give rise to any particular problems. Acknowledging its dependence on Azerbaijan with respect to finished petroleum products, Kazakhstan agreed to supply 700,000 tonnes of crude oil.

Kyrgyzstan

President Akayev Grants 'Exclusive' Interview

OW2402224293 Moscow INTERFAX in English 2049
GMT 24 Feb 93

["Exclusive" interview with President Askar Akayev by Nikolay Golovin; place and date not given; from the "Problems & Opinions" feature—following item transmitted via KYODO]

[Text] After paying a recent visit to Moscow, Askar Akayev, President of Kyrgyzstan, granted an exclusive interview to Interfax [IF] correspondent Nikolay Golovin.

"IF": Mr. President, how do you regard the results of the negotiations with Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin?

AKAYEV: It was just a working visit. Its goal was to find solutions for the current issues of economic cooperation between Kyrgyzstan and Russia. Specifically, we talked about credits for our republic to implement the emergency action program to recover our economy, as well as to expand the list of goods for duty-free trading and to retain the quota on oil products which are traditionally purchased by Kyrgyzstan.

Yeltsin showed understanding and gave support to all three questions. In a word, I am quite satisfied with the results of my visit and with the talks I had with the President and Prime Minister Chernomyrdin. We discussed the methods of putting through the agreements reached.

The visit was paid eight months after signing June 10, 1992 the Treaty on Friendship, Cooperation and Mutual Assistance between our two countries. At the root of this Treaty are the traditions of friendship and cooperation between the peoples of Kyrgyzstan and Russia fostered during the last 200 years. It is a joy to me that the Treaty is observed by both sides. We are very specific to make sure that our commitments to Russia are fulfilled timely and accurately. This is really essential because the RF [Russian Federation] is actually fully cooperative towards us in the political, economic and humanitarian aspects.

What I would also like to stress is that cooperation with Russia in the area of culture is as important as its economic aid to us. For instance, in conformity with this Treaty, it is already this year that Kyrgyzstan will have the first and only in the CIS Slavonic University which will start operating in September. I think that this fact will fill the hearts of millions of Slavs residing in Kyrgyzstan with greater certainty in their future.

"IF": As we know, the government of Kyrgyzstan has managed to retain in the atmosphere of calm on the territory of the republic, and there are no ethnic conflicts there. However, close to Kyrgyzstan is Tajikistan, and

especially those areas which are controlled by the opposition. Is there a threat that the Tajik conflict may spill over into Kyrgyzstan?

AKAYEV: Naturally, we've got such fears. We feel the impact on our social and political situation inside the country from Tajikistan and from other neighbors. We are taking some action to reinforce the border areas, we give much attention to the forces of law and order to prevent the import of fundamentalist and Islamic sentiments. I am sure that we have enough strength to put up resistance to this pressure, and I'm quite optimistic about the forthcoming developments in Kyrgyzstan.

I've always been of the opinion that it is necessary to facilitate the rebirth and development of religion, all religious beliefs without exception. It is my view that religion should play a major role in strengthening morality in society, i.e. it should carry out the function it has in democratic nations. But I'm absolutely against the interference of the church in state affairs.

Now the situation in Kyrgyzstan is as follows: there are various types of religions peacefully co-existing side by side. By the by, recently I paid a visit to the Christian cathedral in Bishkek, I saw the spiritual father Vladimir there, and got acquainted with the state of church affairs. We've rendered material assistance to the orthodox churches of the republic. In Kyrgyzstan, as well as in Kazakhstan, one never had a confrontational atmosphere on the basis of religion. All the believers, be they Muslim, Christian or Buddhist, strive for an accord among nations.

In addition, the Kyrgyz have never shared the feelings of religious fanaticism, extremism. This is also a good sign for a bright future.

By the by, the law on freedom of conscience and religion effective in Kyrgyzstan does not provide for the institution of religious parties. But it is exactly the legal permission of their operations that made it possible for the Islam party in Tajikistan to press forward the notorious negative developments in the republic. Islam fundamentalism, as any other religious extremist movement, often resorts to a tested weapon, terrorist tactics. And, as the Tajik experience shows, in the final analysis, it is the innocent common folk, old people, children, women, who suffer from these negative developments, and the whole state collapses.

Well, we have quite modest military formations, and yet we take all necessary measures to strengthen borders and to prevent Islamic military detachments from invading Kyrgyz territory.

Evidence shows that some Afghan Islamic elements entertain plans of penetrating into Tajikistan, not only right through the Tajik-Afghan border, but also through Kyrgyzstan. They would like to take advantage of the fact that in mountainous areas, it is rather difficult, practically impossible even, to fully cover the border. Our advantage is that from ancient time, the Kyrgyz live

on this territory and in the mountains of Alatau, and they know all the paths through which militants could try to infiltrate from neighboring areas.

Moreover, Kyrgyzstan, together with Russia, is active in strengthening the border between Tajikistan and Afghanistan. Right now the strength of our enlisted men in this republic is beefed up from 200 to 500 men.

As to the participation of the Kyrgyz armed forces in the multinational peace-keeping force, it is the parliament that is to take a decision on this. The question has been discussed twice, and twice they have arrived at no decision. However, in March the parliament is going to return to this issue again.

"IF": Mr President, at the meeting of the heads of government of the Central Asian Region you talked about the possibility of some "subspaces" within the general framework of the CIS. As you put it, these "subspaces" might have incorporated some countries whose economic, political and cultural ties might have been characterized by largest stability. At the beginning of 1993, when there was a meeting in Tashkent, the certain elements of the idea took real shape. So, in your view, what would Kyrgyzstan's role be in this "subspace?"

AKAYEV: Well, this is an interesting question. For us, of course, our relations with our neighbors - Kazakhstan, Tajikistan, the People's Republic of China, are of primary concern. Naturally, our wish is that these relations are good-neighborly, and that they develop to our mutual advantage, and on the basis of equality.

It goes without saying that when comparing Kyrgyzstan with economically more viable countries such as Uzbekistan or Kazakhstan, we do realize that we are not in a position to exercise any kind of substantial influence on the economy of Central Asia. As to our role, we see it in the context of a very active policy of peace, stability and accord in the region. Carrying out this mission, we have pioneered some summit ideas on a regional level.

At the same time, I would like to emphasize that probably, goal number one in our foreign policy is the further development of our links with Russia. Relations with the Russian Federation help us to solve three major goals. The first and most important one is our external security. And in this sense the Treaty that has been signed between the two nations is a lasting foundation to ensure that security.

Secondly, it is an access to great Russian culture, science and education. It is this very idea that I entertained when I was speaking as an initiator of the establishment of the Slavonic University in Bishkek. And, thirdly, of course, it is the economic assistance which is regularly furnished to us.

We are very grateful to Russia for it, that in spite of its own economic and political difficulties, Russia has always been meeting us and is meeting us now half way. And the impression is that the implementation of these three vital goals for Kyrgyzstan can be accomplished only by one country in the world, only by Russia.

When building our relationships with the Russian Federation, we attach a great significance to the maintenance of our traditional friendship and cooperation between the Kyrgyz and Russian peoples. As for me, I do my utmost to allow no limitation of the rights of Russians residing in Kyrgyzstan.

Further on Akayev's Meeting With Ukrainian Prime Minister

OW2402165393 Moscow INTERFAX in English 1556 GMT 24 Feb 93

[Report prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Excerpt] Kyrgyz President Askar Akayev said at a Tuesday [23 February] meeting with Ukrainian Premier Leonid Kuchma that Kyrgyzstan was "inclined toward the most active level" of cooperation. Among his top priorities, he named the development of the coal industry, microelectronics, the search for oil, and hydroelectric power. In Akayev's opinion, Ukraine could offer Kyrgyzstan aid in coal mining and with hydroelectric turbines. In addition, he said, joint mining ventures could be established on the basis of Kyrgyzstan's large basalt deposits and Ukraine's unique basalt processing technology. The president also suggested that Ukraine participate in the development of oil deposits in Kyrgyzstan, with oil being exchanged for the technology provided.

Akayev expressed interest in the development of bilateral relations in the areas of humanitarian aid, preparation of hydroelectric technology specialists, and aviation engineering. He also appealed to the head of the Ukrainian administration to provide 50 stipends for Kyrgyz students to study in Ukraine, saying that his request had been motivated by the "extremely difficult situation" in the republic.

Some 22 agreements were signed as a result of the Kyrgyz-Ukrainian negotiations. In particular, the countries signed inter-governmental treaties on non-trade payments, the development of the oil and gas complex, the protection of investments, and cooperation in various economic and social spheres. Agreements were also signed on postal links, cooperation between military departments in the home services (Interfax [IF] has learned from informed sources in the Kyrgyz government that the signing of Ukrainian-sponsored draft documents on ethnic minorities was postponed).

On Wednesday, Kuchma went to Ashgabat for negotiations with the Turkmen government and President Saparmurad Niyazov. The principal themes of the negotiations were questions of mutual accounting and prospects for cooperation in the fuel and energy complex.

Informed sources have informed Interfax that on the eve of the Ukrainian premier's visit, the Turkmen government examined a group of draft agreements prepared by Kiev. Among the documents was a draft agreement on cooperation in oil extraction through the year 2005. The document envisions Ukraine participating in the development of deposits in return for gas deliveries. Sources wishing to remain nameless report that Turkmenistan would hardly wish to sign the given documents, considering that a system of international tenders were recently used to receive the right to such cooperation. Thanks to such competition, Turkmenistan has already received tens of millions of dollars into its budget. [passage omitted]

Tajikistan

Afghanistan, Pakistan Allegedly Arming Opposition

LD2402162293 Moscow Teleradiokompaniya
Ostankino Television First Program Network in
Russian 1200 GMT 24 Feb 93

[From the "Novosti" newscast]

[Excerpts] Contrary to official information about the routing of the last bastion of the opposition in the Pamir region of Tajikistan, fighting is continuing in Garmskiy, Komsomolabadskiy, and Tavil-Darinskiy Rayons. [passage omitted]

According to Tajik Supreme Soviet Chairman Imamali Rakhmanov, the opposition detachment which has withdrawn into Afghanistan receives much humanitarian aid and weapons from Pakistan. Every day, two to three transport aircraft from Pakistan loaded with weapons land in the camps of Tajik refugees in Northern Afghanistan, Rakhmanov said. The head of the Tajik parliament believes that government circles of Afghanistan or Pakistan cannot be responsible for these developments.

Nonetheless, the Tajik leadership made a decision to reinforce all sections of the border with Afghanistan. Government troops have surrounded the opposition forces from four sides, but they are as yet unable to carry out wide-scale operations. Some of the bridges and whole sections of mountain roads were blown up in the course of the opposition forces' retreat. Small assault forces of the government troops are now being dropped in the combat area.

Rakhmanov believes that despite the information about active preparations being undertaken by the opposition, it cannot possibly launch a large-scale offensive in the spring.

Situation on Tajik-Afghan Border Viewed

PM2402155793 Moscow IZVESTIYA in Russian
19 Feb 93 p 4

[Boris Vinogradov report: "Conflict Brewing on Afghan-Tajik Border"]

[Excerpt] [passage omitted] It cannot be said that the world has completely lost interest in events in Afghanistan. People in Moscow, Washington, and the capitals of other states are observing the development of the situation attentively. Moreover, recent analyses of the situation are taking into account the "Tajik factor" which is increasingly coming into play on the Afghan stage. And it is not just a matter of the Tajik refugees located on Afghan territory who are waiting to return to their homeland.

The repatriation of these people, which was to have begun last month, has now practically ground to a halt, and at least 65,000 Tajiks are still living in camps in Afghanistan's northern provinces. Philipp Labro [name as transliterated], representative of the UN High Commissioner for Refugees, announced by telephone from Termez that in Konduz Province alone gunmen from various mojahedin groupings are detaining 35,000 Tajiks.

Press-ganging is going on in special centers "for teaching the techniques of guerrilla warfare." There are eight such centers operating in regions adjacent to the Tajik border, each of them trains an average of 500 men, and the agencies report that the first graduates are expected at the end of March or the beginning of April.

Thus in the near future, presumably, about 4,000 trained gunmen will swell the ranks of the opposition Islamic Revival Party which is fighting the Tajikistan People's Movement headed by Sangak Safarov. Besides weapons, equipment, and instructions, they also receive reinforcements and manpower from Afghanistan. Hundreds of mojahedin, according to information from the Tajik Ministry of Defense, are already taking part in the war on the side of the Islamic fundamentalists.

The other day the Tajik Foreign Ministry lodged a protest with the Afghan Government regarding the increasingly frequent instances of border violation. The note sent to the Afghan consulate in Dushanbe refers to the inadmissibility of the shelling of border troop details, and the concentration of armed groupings, and contains a demand that immediate measures be taken to normalize the situation. There has been no reaction from Kabul. But there is a danger that the Afghan-Tajik border region could become one more hotbed of tension in the belt of instability stretching from Afghanistan through the Caucasus and Yugoslavia.

Political aims are being proclaimed in the struggle that has been unleashed. The Tajik opposition, backed by the sympathetic Afghan mojahedin, seems to be fighting under the pan-Islamic banner. But according to evidence from Russian border services guarding the most troubled sectors, both the former and the latter are often motivated by other interests. The issue revolves primarily around the ownership of the auriferous banks of the River Pyandzh and control of the arms and drug smuggling operations which produce a fabulous income.

Whatever transpires there, the 1,000-km border guarded by Russian detachments is still Russia's external border at the present time. There is no other border, the Russian Federation Ministry of Security told me. What happens there directly affects Russian interests. We can only conjecture what will happen if it crumbles under pressure from armed formations.

So where are those four support battalions numbering 500 men each which Russia, Kazakhstan, Uzbekistan, and Kyrgyzstan promised to send to the border at the presidents' meeting in Minsk? R. Karimov, Tajik Embassy counselor in Moscow, informed us that according to his information, the battalions should have arrived on the scene 15 February. However, for some reason they have not. Nobody could tell us why either at the headquarters of the commander in chief of the CIS Armed Forces, or at the Russian Ministry of Defense, or at the Russian Foreign Ministry, or at the embassies of the Central Asian republics. As a rule, the generals and counselors gave one and the same answer: They had "not been informed."

...The truce declared 15 February between the mojahedin factions was marked by unprecedented looting, robbery, and violence in Kabul. And 24 hours later the guns there began firing again.

Government Shortens Dushanbe Curfew by Two Hours

LD2502115193 Moscow *ITAR-TASS in English* 1133 GMT 25 Feb 93

[By KHOVAR agency correspondent Valeriy Zhukov for TASS]

[Text] Dushanbe February 25 TASS—The Presidium of the Tajik parliament issued a decree to cut the curfew in Dushanbe by two hours.

The document circulated here this Thursday [25 February] says that the legislature made this step "to ensure favourable conditions for believers to perform religious rites during the glorious month of Ramadan".

The curfew in Dushanbe will be between 22:00 and 05:00.

Committee Reports Attempt To Proclaim Islamic Republic

OW2402210793 Moscow *INTERFAX in English* 1928 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Chairman of the Tajik National Security Committee Saydamir Zukhurov told Interfax that the leaders of the armed opposition in Garm District (east of Dushanbe) in Tajikistan made an attempt on Wednesday [24 February] to proclaim the Islamic Republic. Mr Zukhurov did not provide any details, noting, however, that "danger no longer exists, and the government forces have taken the situation under control."

At the end of last week, government forces staged a three-day mopping-up operation in Garm District and Romit Gorge seeking to eject the armed opposition detachment from the settlements in that area. The Tajik government characterized the operation as successful.

UN Continues To Increase Humanitarian Aid

LD2402133193 Moscow *ITAR-TASS in English* 1221 GMT 24 Feb 93

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe February 24 TASS—"The world community is seriously concerned over the ruinous consequences of the fratricidal war and takes large-scale measures to give greater scope to humanitarian aid to the people of the republic," Gustavo Toro, a staff member of the U.N. Permanent Mission in Tajikistan and coordinator of the distribution of humanitarian aid, told a group of foreign correspondents on Wednesday [24 February] at the close of his tour of a number of large regions of the Central Asian Republic.

He said the U.N. Development Programme (UNDP) envisages the allocation of 6,110,000 U.S. dollars to restore the social infrastructure here. The funds will be assigned irrespective of a regime of power in Tajikistan but only after an appropriate government programme is presented to the UNDP.

According to the representative of the U.N. Mission, he now has available sufficiently complete information on Tajikistan's requirements for humanitarian aid. Mr. Toro emphasised that what he had seen turned out to be not so deplorable and hopeless as had been expected.

"I expected to see the worst," Mr. Toro admitted. "However, this is, perhaps, the poorest republic in the former Soviet Union and is in need of large donations on the part of the world community, primarily food and medicines."

Such aid supplies, he said, have already been sent out to Tajikistan by a number of international non-governmental organisations, including the U.N. Children's Fund and the World Health Organisation. The aid will be increased and the U.N. Mission will most attentively see to it that it is supplied to the actually needy," Mr. Toro assured.

Supreme Soviet Discusses Aid to 'Liberated' Areas

LD2402115793 Dushanbe *Radio Dushanbe Network in Tajik* 1000 GMT 24 Feb 93

[Text] The Tajik Supreme Soviet Presidium held a meeting yesterday. Taking part in its work was Supreme Soviet Chairman Imamali Rakhmonov. Under discussion was the question of extending emergency food aid to the population of Komsomolabad, Garm, Tajikabad and Tavildara Rayons, which have been liberated from opposition armed formations.

The first television interviews with the inhabitants of Garm Rayon were heard yesterday on the television program Akhbor. Women and old men spoke with pain of the atrocities committed by the opposition groups. People were brought to a state of despair. The bandits took food products, abducted the men by force, and on order shot them in front of children. The inhabitants of many villages left their homes and fled to the mountains. There were fatalities from cold and hunger. We eagerly waited for the government forces to liberate us from the bandits, the women and old men said.

Rakhmonov spoke yesterday at the meeting of the Supreme Soviet Presidium in favor of urgently providing food and medical aid to the inhabitants of regions in the Karatigin valley. In the capital, motor columns are being formed carrying aid cargo for the highlanders. The food and medical supplies will also be delivered by helicopters.

Turkmenistan

Ukraine's Kuchma Visits To Discuss Energy Cooperation

OW2402120893 Moscow INTERFAX in English 1131 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] On Wednesday [24 February], Ukrainian Premier Leonid Kuchma arrived in Turkmenistan for talks with the Turkmen government and President Niyazov. The Turkmen cabinet informed Interfax that the talks would deal with the reciprocal payments and with prospects for bilateral cooperation in the fuel and energy area.

According to some sources, on the eve of the visit, the Turkmen government had considered a number of Ukraine-proposed documents, including the agreement on cooperation in oil and gas prospecting for the period up to the year 2005. Experts believe that by participating in the prospecting of Turkmen oil and gas, Ukraine intends to cover the spending on Turkmen gas.

A source which preferred to remain anonymous reports that Turkmenistan will hardly sign such an agreement given the current procedure of international tenders which have already brought dozens of millions of dollars to the Turkmen treasury.

Gas Deliveries Discussed

LD2402163693 Moscow ITAR-TASS World Service in Russian 1354 GMT 24 Feb 93

[By ITAR-TASS correspondent Lyudmila Glazovskaya]

[Text] Ashgabat, 24 Feb—Talks at governmental level have begun in Ashgabat between Turkmenistan and Ukraine. The Ukrainian delegation, which arrived today, is headed by Prime Minister Leonid Kuchma. The talks, which are being attended by ministers and experts

from the two countries, concern economic cooperation in the context of an earlier bilateral agreement.

Among other things, the two sides are debating a standardized duration for agreements on the delivery of Turkmen gas to the Ukraine; the duration currently varies from 15 to 30 years. The Ukrainian side is also interested in increasing the amount of gas it receives. At the moment this amounts to 85,000 million cubic meters per year. The gas price, the bench mark for which is to be raised to the world price, is also expected to come up during the talks. The price currently charged is 60 percent of the world level.

The experts' work will go on all day today. The signing of accords which are reached is expected to take place tomorrow.

Foreign Firms Investing in Republic's Oil Sector

PM1902161993 Moscow ROSSIYSKAYA GAZETA in Russian 17 Feb 93 First Edition p 7

[Georgiy Smolkov report: "Winners of Petroleum Competition Pay in Dollars"]

[Text] Ashgabat—A little over 5 million tonnes of petroleum were extracted from Turkmenistan's depths last year. A few days ago, however, an event occurred which leads us to believe that this volume may be trebled in the next few years. The conclusion of contracts on the creation of joint enterprises with three foreign companies—the Larmag Energy LTD consortium (Netherlands), Nobel Drilling Ltd, and Istpak (as transliterated) (United Arab Emirates). These firms were the winners of a competition for the right to participate in the extraction of Turkmen petroleum, which the republic government announced in the middle of last year.

The country's leaders are very pleased both with the results of the competition and the Turkmen "module contract" elaborated with the participation of the U.S. Vivtex firm.

"The gist of it is that it will start operating straight after the signing," Vice Premier N. Suyunov noted. "The main difference between our model and analogous projects in the former union republics is that obtaining a profit becomes dependent on the dynamics of the project's implementation."

Incidentally, Turkmenistan has earned a clear profit of over \$65 million merely by holding the competitive tender. That was the total of the three companies' "bonus" (initial nonreturnable payment). Foreign investments in the development of the oil fields where the joint enterprise will operate will constitute \$160 million over three years. The Turkmen side's share of the profits of the joint enterprises will fluctuate from 71 to 75 percent, depending on the scale of the oil extraction.

There will also be other pluses because at the moment the two oil refineries in Turkmenistan are by no means working at full capacity.

Uzbekistan

Karimov Gives Precedence to Economy; 'Reshuffle' Likely

PM2402154893 Moscow ROSSIYSKAYA GAZETA in Russian 24 Feb 93 First Edition p 7

["Commentary" by correspondent Vladimir Berezovskiy: "Uzbekistan's Special Path"]

[Text] Tashkent—At a Cabinet of Ministers session, the president of Uzbekistan delivered a vigorous speech. Observers here see it as a program speech. For the first time since the Constitution was adopted last December and Uzbekistan became a presidential republic, Islam Karimov, having received the full plenitude of power, has formulated his vision of the path of development for this young independent state.

Thus, the principle of the supremacy of economics over politics was proclaimed. The president, in particular, attacked the sovkhoz directors who are putting spokes in the wheels of private farmers, clinging blindly to their privileges and afraid of being "cut off" from state financial injections.

Admittedly this does not mean that Uzbekistan has given the go-ahead for private ownership of land. Only leasing! The reason is the increasing shortage of irrigated plowland in the conditions of a population explosion.

Islam Karimov is convinced that the transition to the market and the new system cannot be entrusted to even the most brilliant team of intellectuals. The helm should stay in the hands of the state, as main reformer.

The republic government controls the lion's share of purchase prices in agriculture and industry. The state order system remains in force, particularly for cotton fiber. By drastically raising—to 100 million rubles—the threshold for incorporation capital, the republic has "buried" many private banks and commodity exchanges.

Uzbekistan rejects shock therapy, seeing the market not as an end in itself but as an instrument of the new economy and the modernization of society. Cautious pragmatism and learning from other people's mistakes—that is the Uzbek leadership's style. And it is understandable.

The republic's economy is suffering as a result of the severance of economic ties, the decline in production, and severe dependence on Russian energy sources, and

cannot yet boast of strong exports. Last year Uzbekistan sold goods and raw materials worth \$1.1 billion abroad, and 80 percent of this was cotton fiber. Imports—food and materials for light industry—reached a billion. The republic has meanwhile collected several billion dollars from Western creditors, which will have to be paid for sooner or later.

Despite the fact that the economic ship is sometimes taking on water, Uzbekistan intends to continue to pursue a strong social policy. Subsidies are thus far maintaining prices for bread, milk, meat, butter, and children's clothing at a tolerable level.

For the first time since the "Uzbek [cotton] affair," when thousands of economic managers and party functionaries fell under the wheels of Gdlyan's repressions, Islam Karimov spoke about corruption. The old disease has recurred. Rustam Usmanov, a well-known entrepreneur in the republic, fell into a rage and ostentatiously set fire to an office before the very eyes of the civil servants who were waiting for his latest "tribute" payment. The day before, Islam Karimov removed from his post the khokim [as transliterated] (governor) of Andizhan Oblast, where, as in the old days, the mafia was flourishing, crushing underfoot the militia and prosecution service and openly stealing resources and food.

All the indications are that Islam Karimov is preparing to reshuffle the administrative pack. The "old guard" were sternly reproached for neglecting state interests and showing passivity and lack of principle. A new generation of leaders is emerging in the republic, whose strength lies in their patriotism and flexible thinking.

However one sees these measures, it is beyond doubt that the Uzbek president knows what he has to do. And in our time of troubles that is no small thing.

Problems Beset Cooperation With Ukraine; Kuchma Visits

PM2402130393 Moscow PRAVDA in Russian 20 Feb 93 p 1

[Adilbek Kaipbergenov report under "Briefly and to the Point" rubric: "Tashkent the Venue"]

[Text] Ukrainian Prime Minister Leonid Kuchma arrived in Tashkent yesterday on a working visit. For three days he will discuss problems of bilateral cooperation with Uzbekistan Prime Minister Abdulhashim Mutalov. And problems there are. A previous agreement, for example, was only 60 percent fulfilled. The sides experienced shortfalls of sugar, cotton, and so forth. It is worth pointing out that experts from Ukraine were unable to arrive in advance because of a shortage of...rubles. They are now having to pull out all the stops.

Armenia**Press Secretary: Parliament Unable To Form Coalition**

OW2402165193 Moscow INTERFAX in English 1555
GMT 24 Feb 93

[Report prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] This parliament is incapable of forming a coalition national conciliation government, Aram Abramyan, presidential press secretary said at a news conference on Wednesday [24 February]. "If parliament is trusted to form the government we risk having neither a premier nor a president by the third millennium."

Abramyan thinks that this situation is attributable to attempts by certain quarters in parliament to turn it into a "party club." The president, his press secretary believes, can compromise in order to solve the crisis. But to form a coalition government, a law is needed by which parties make up parliament and, at a later stage, a government. He reminded his audience that the present Supreme Soviet was elected back in 1990 when only the Armenian All-National Movement and the Communist Party of Armenia existed.

Opposition Leader Speaks of 'Near-Crisis' Situation

OW2402211493 Moscow INTERFAX in English 1659
GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Leader of the National Self-Determination alliance—one of Armenia's influential opposition groups—Paruyr Arykyan has described as near-crisis the current situation in the country. In an interview with Interfax, he said the authorities were still unaware of how serious the situation and their own plight were. He maintains that the government is demoralized pointing to recent polls which shows its credibility has plummeted to just little more than eight percent.

The opposition leader called for creating a law-governed state and convening a Constitutional Assembly to adopt a new constitution as a way of redressing the situation. Arykyan said the idea was being supported by as many as 141 deputies of the Armenian Parliament.

Nor did he rule out the possibility of political consensus to set up interim government structures such as a State or National Council.

Arykyan accuses President Levon Ter-Petrosyan "of hiding behind police cordons from the people." He described the parliament as being ineffective adding that in the emerging conditions, opposition rallies did help

towards creating a law-governed state, and give insight of the nation's view something that politicians have to reckon with.

Arykyan said the opposition rally scheduled for February 17 [as received] was being forwarded by two days, but opposition demands for a Constituent Assembly to adopt a new constitution remains in force.

Forces Occupy Another Village in Mardakert Region

OW2502112193 Moscow INTERFAX in English 1049
GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] Well-informed sources in Yerevan say on Wednesday [24 February] Armenian armed groups occupied another village in Mardakert region, Nagorno-Karabakh. Since the beginning of the offensive earlier this month about 20 communities have been seized. Azeris continue to control about half of the region they occupied almost fully last summer.

According to sources in Stepanakert, on Wednesday Karabakh units put out the last seats of Azeri resistance near the Sarsang dam. They fully control the man-made lake formed by the dam supplying was territories in Azerbaijan with water. [sentence as received]

Meanwhile, the Azeri Defense Ministry claims that the Azeri army continues to defend the dam. Besides, Baku reports a new Armenian offensive stopped in the direction of Agdam and Fizuli and the shelling of communities in Kazakh and Akstafa regions of Azerbaijan.

Karabakh Refugees Reportedly Returning To Fight

NC2402165793 Yerevan Armenia's Radio First
Program Network in Armenian 1300 GMT 24 Feb 93

[Report by Mavr Danielyan]

[Text] The successes brought about with the liberation of the villages in Mardakertskiy Rayon heartened the Karabakh refugees who settled in Armenia and elsewhere and inspired them with hope of reclaiming their native villages and homes.

Young man of combat age have already organized detachments and together with groups of refugees have been gathering in front of the State Directorate of Refugee Affairs and the State Directorate for Special Projects in readiness to return to their homeland.

Two buses left today with these military detachments. There are many who want to return. The statement issued by the Nagorno-Karabakh Republic's Defense Committee had its effect. It said: Only those who take part in the fighting will be given the right to regain their homes; deserters and draft dodgers will not be given that right. It called on 18- to 45-year-old able bodied men

outside of Nagorno-Karabakh to return and enter the ranks of those defending the homeland.

Yegor Hovannisyan, president of Artsakh's [Nagorno-Karabakh] Patriotic Organization, said the statement was issued in a timely manner and is very important.

However, we are sure there will be no need to impose such punishment [depriving some of the right of regaining their homes] on the people of Karabakh; a few days before the appeal, a few volunteer detachments left for Karabakh. Hundreds of other young men have already registered and are ready to return. Many want to return. Transportation is the main problem [words indistinct].

In addition to the people of draftable age, almost all males are leaving for Karabakh to create the conditions in the liberated villages and prepare for the eventual return of women and children.

The State Directorate for Refugee Affairs, the State Directorate for Special Projects, the Artsakh organization, and other patriotic organizations are providing assistance to the families of fighters and others. Therefore, esteemed people of Artsakh, I will report further on developments as they occur.

Chechen Envoy on Azerbaijani Readiness for Cease-Fire

NC2402152393 Yerevan Armenia's Radio First
Program Network in Armenian 1300 GMT 24 Feb 93

[Text] The Armenian president's Press Secretary Aram Abrahamyan reported that Justice Minister Osman Imayev, representative of the president of Chechnya, is on a brief working visit to Armenia. He met State Minister Gagik Shahbazyan and discussed issues of economic cooperation between the two countries.

Imayev stated that if Armenia and Nagorno-Karabakh Republic declare an end to the military operations in Nagorno-Karabakh, then Azerbaijan would be willing to observe a cease-fire.

But the Armenian leadership believes there is no guarantee that Azerbaijan will not resume the military operations following a few days of cease-fire.

Abrahamyan did say that the Armenian leadership does not doubt Chechnya is sincerely fulfilling its mediation effort.

Negotiators to CSCE Talks in Rome Named

NC2402134093 Yerevan SNARK in English 0503 GMT
24 Feb 93

[Text] Yerevan, February 23 (SNARK)—Aram Safaryan, press secretary of the Armenian Ministry for Foreign Affairs, informs that at the forthcoming CSCE meeting in Rome on Karabakh problem settlement on February 26, Armenia is represented by Zhirayr Libaritsyan, the political adviser of the Armenian president and Khachik Bezirdzhyan, parliamentarian. Safaryan

has also announced that the Armenian position has remained unchanged, that is cease-fire without any preliminary conditions.

Foreign Ministry Delegation's Visit to Georgia Viewed

NC2402200993 Yerevan Armenia's Radio First
Program Network in Armenian 1700 GMT 24 Feb 93

[Text] As previously reported, an Armenian delegation led by First Deputy Foreign Minister Armen Kirakosyan paid a working visit to Tbilisi on 23 February.

Political consultations were held with Georgian Foreign Minister Aleksandr Chikvaide within the framework of the cooperation agreement signed by the nations' Foreign Ministries.

The Armenian Foreign Ministry Press Service reported that the sides discussed matters pertaining to the development and deepening of bilateral ties.

Kirakosyan briefed Chikvaide on the situation in our republic since the gas pipeline has been inoperable. The Georgian foreign minister handed Kirakosyan a note from the Georgian Foreign Ministry setting forth the Georgian authorities' position on the issues raised. Chikvaide also handed to Kirakosyan more than 20 draft agreements on a bilateral inter-state treaty and on subjects touching various spheres of bilateral relations. The agreements are expected to be signed in Yerevan during high-level Armenian-Georgian meetings.

The Armenian delegation was also received by Georgian Prime Minister Tengiz Sigua on 23 February. The sides discussed the possibility of joint protection of the gas pipeline; ways to ensure the unimpeded supply of gas to Armenia; unimpeded transportation of Armenia-bound freight, in particular the fuel tanks that pass through Georgia; and matters pertaining to the secure operation of the railway linking Georgia to Armenia.

The Georgian side promised (?to stop) the prolonged power cuts to the railways.

An agreement was reached to hold a meeting among the leaders of the Defense and Interior Ministries of both countries to discuss the pipeline issue and concrete problems related to its joint protection. In addition, the Georgian side promised to immediately organize military patrols along the gas pipeline.

Yeruan Zakaryan, deputy minister of energy and fuel; Eduard Kochayan, a department head at the Armenian Foreign Ministry; and Levon Khachatryan, Armenian charge d'affaires ad interim in Georgia, took part in the meetings on the Armenian side.

Deputy Foreign Ministers (Gogi Gorgevadze) and Malkhaz (Gagavadze), Deputy Interior Minister (Chivi Mikaladze), and high-ranking officials from the Energy Ministry took part on the Georgian side.

Parliament Finds Georgian Activities 'Disrupting' Relations*NC2402133993 Yerevan SNARK in English 0503 GMT 24 Feb 93*

[Text] Yerevan, February 23 (SNARK)—The Armenian parliament has accepted the declaration which expresses the anxiety with the fact of third explosion of the gas-pipeline in Marneulskiy Rayon of Georgia and the facts of capturing the Armenians and goods Armenia receives through the territory of Georgia. [The] declaration mentions that such actions are disrupting friendly relations between Armenia and Georgia and expresses hope Georgian side will accept all the decisive measures to give up the lawlessness.

Government Announces Agreements Signed With Uzbekistan*NC2402171593 Yerevan SNARK in English 1230 GMT 24 Feb 93*

[Text] Yerevan, February 24 (SNARK)—A number of inter-state agreements between Armenia and Uzbekistan was concluded on February 23 in Tashkent. Vladimir Manoyan, the head of the government press-service, informed SNARK's reporter that the questions of trade and economic cooperation in 1993 between both countries, the organization of inter-bank financial settlements and the regulation of promissory notes according to mutual settlements were considered. Package of agreements was signed by the Prime-Minister of Uzbekistan Abdulhashim Mutalov and the first Armenian Vice-Premier Vigen Chitechyan.

Delegation Leaves for Black Sea Council Meeting in Istanbul*NC2402195393 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 24 Feb 93*

[Text] An official Armenian parliamentary delegation headed by Supreme Soviet Chairman Babken Ararktsyan left for Istanbul today to take part in the work of the founding conference of the interparliamentary union of the member countries of the Black Sea Economic Cooperation Council. The meetings are scheduled to be held from 25 to 26 February.

ARMENPRES received this information from the Supreme Soviet Press Center. The delegation includes Eduard Yegoryan, a member of the Supreme Soviet's Standing Commission on the Establishment of Independent Statehood and National Policy Affairs; and Valeriy Mkrtumyan, deputy general secretary of the Foreign Ministry.

Azerbaijan**Nagorno-Karabakh Forces Engage in Fighting***LD2402171493 Moscow ITAR-TASS in English 1548 GMT 24 Feb 93*

[By ARMENPRESS correspondent for TASS]

[Text] Yerevan February 24 TASS—Reports which have come from the headquarters of Karabakh self-defence forces say that fighting has been resumed in the area of the villages of Metsshen, Magavuz and Kusapat of Mardakert region. Hydro-power facilities, the area of Sarsangas hydro-power station and nine villages of Mardakert region previously liberated from the Azeri Army, remain under control by Armenian self-defence forces.

Azeri formations stationed in military bases of Agdam region, are shelling villages of Askeran region.

Sarsang Dam Attacked, 'Fierce Fighting' Worsens*NC2402192993 Baku Radio Baku Network in Azeri 1700 GMT 24 Feb 93*

[Text] The Azerbaijani Ministry of Defense analytical information center communique reads:

Fierce fighting in Agderinskiy Rayon worsened again today. Armenian military units launched a strong attack against the Sarsang water reservoir's dam in the afternoon. Our troops are waging a fierce battle to defend themselves.

The Armenians fired on our positions in Kyzylkaya in Fizulinskiy Rayon with various types of arms last night. Dzhanly Kyshlakh, Vazdere, Kuyuderekheshtab, Yukhary Yemezli, and Sherikan in Zangelanskiy Rayon and Kokhne Kyshlakh and Ballykaya in Akstafa Rayon were also shelled by artillery and tanks. Return fire silenced the enemy.

Foreign Ministry Decries Russian Role in Conflict*NC2402162293 Baku AZERTAC in Azeri 0934 GMT 24 Feb 93*

[Statement by the Azerbaijani Foreign Ministry "issued through AZERTAC channels"]

[Text] Baku, 24 Feb (AZERTAC)—For five years the world has watched with indifference as international law is grossly violated; one state that covets part of a neighboring country's territory drags it into a war and then propagates it as a "just struggle for the self-determination of a national minority."

In the aftermath of the latest attack launched in the north of Karabakh on 5 February, Armenian armed units occupied over 10 settlements in Azerbaijan's former Agdere [Mardakertskiy] Rayon.

None of the big powers refuses to assist in the peaceful resolution of the conflict. One is neighboring Russia,

which has often stated that it maintains an impartial approach to the Armenian-Azerbaijani conflict and also tries to help in the peaceful resolution of the conflict through mediation. Regrettably, more and more facts surface to contradict this claim and show that the 7th Russian Army's new military units stationed in Armenia are taking part in combat operations on the Armenian side. For example, according to the Azerbaijani Defense Ministry, troops belonging to the 128th Motorized Infantry Regiment of the 127th Gyumri Division took part in operations that led to the occupation of settlements in the former Agdere Rayon. The "skills" of the former Soviet Army's 366th Motorized Infantry Regiment stationed in Khankendi [Stepanakert]—which participated in a bloody massacre in Azerbaijan's Khodzhalay and in the occupation of Shusha, the last Azerbaijani settlement in upper Karabakh—have not been forgotten in Azerbaijan.

It is hard to believe that the participation of Russian troops in combat operations on the Armenian side would help the peaceful resolution of the conflict. And the indifferent attitude of the Russian political and military leadership toward the Russian troops' increasing unilateral participation in the conflict is not in line with the spirit of the friendship, cooperation, and mutual security treaty signed between Azerbaijan and Russia. It will certainly harm Russian-Azerbaijani relations.

The Azerbaijani Foreign Ministry also considers it necessary to note that such an attitude by the Russian Federation is not in line with the substance of the talks on Nagorno-Karabakh to be held in Rome between the representatives of the CSCE's Minsk Group.

Masimov Visits Central Asia To Discuss Trade

NC2402171793 Baku *TURAN* in English 1306 GMT
24 Feb 93

[Text] Baku, 24 Feb (TURAN)—Deputy Prime-Minister [title as received] of Azerbaijan Ali Masimov left for tour the countries of Central Asia.

Ali Masimov announced before the flight the journalists that the aim of the visit is the signing of bilateral trade-economical agreements between Azerbaijan and countries of Central Asia.

But the present trip of the head of the Azeri Government has rather political than economic nature. As it is known after statements of the present leadership of Azerbaijan on the near decease of the totalitarian postcommunist regimes of Central Asia, relation of Azerbaijan with countries of this region abruptly deteriorated. At the same time in one of his recent speeches Abulfaz Elchibey announced that connections of Azerbaijan with countries of Central Asia is of great importance and Baku will do all for its all-rounded deepening and development.

Observers consider that words of Elchibey mean the turning point in the strategy of Azerbaijan towards countries of the region. This supposition is confirmed

also by the cease of critics of political regimes in the countries of central Asia by the official Baku after this statement.

Elchibey, Masimov Receive British Ambassador to Russia

LD2302134393 Baku Radio Baku Network in Azeri
0300 GMT 23 Feb 93

[Text] President Abulfaz Elchibey, received British Ambassador to Russia Brian Fall. He said: Great Britain has decided to open its embassy in Baku. We have a special liking for Azerbaijan. Good relations between our countries also suit the interests of business circles of Britain who passionately desire the expansion of cooperation with Azerbaijan.

The president said that Azerbaijan also wishes to strengthen the cooperation between the two countries at all levels and pointed out that the leadership of the republic regards Britain as a reliable ally and supporter. They discussed Armenia's continuing invasion of our soil and ways of putting an end to the war by peaceful means.

Fall and people accompanying him met with acting Prime Minister Ali Masimov. They exchanged views on developing relations between the two countries. Masimov, briefed the guest about measures being taken to (?establish) the present situation in the republic. It was pointed out that the objective position of Britain on the occupationist policy of Armenia towards Azerbaijan is of great importance and that it could play an important role in conveying the truth to the world community.

The ambassador said that his government gives priority to direct cooperation with Azerbaijan, believes in the prospects of the concluded economic ties, and intends to continue its relations, and for this reason it hopes that war will end soon.

UK To Open Embassy

NC2302163193 Baku *TURAN* in English 1318 GMT
23 Feb 93

[Text] Baku, 23 Feb (TURAN)—The visit of the Ambassador of Great Britain in Russia Brian Fall to Baku came to an end. The ambassador had meetings within three days with all superior leaders of Azerbaijan as well as with representatives of the opposition.

The British ambassador said during his meetings with the president and speaker of the Azeri parliament that the determination on opening of the embassy of Great Britain in Baku is accepted. This determination he justified by the fact that Azerbaijan is the region where Great Britain has its strategic interests.

Concerning the problems of regulation of the Armenian-Azerbaijani war, the ambassador of Great Britain marked that London will come forward for the settlement of the conflict in the bounds of the CSCE. At the same time Brian Fall expressed readiness of his country

to render a humanitarian aid to Nakhichevan which has been blockading by Armenia for a long time.

By the observers's point of view, the visit of the ambassador of Great Britain in Baku had the same aim as the visit of American Congressman Greg Laflin had. So, as soon as the date of signing of the contract with American and British oil companies is shortened, official representatives of these states stress their readiness to render the Azerbaijan a support.

As the observers consider the west is interested in stable socio-political situation in Azerbaijan which would allow oil companies to set to working and extraction of oil reaches of the country. Baku in its turn expect on support of West in its conflict with Armenia.

Chairman Kamberov Leaves for Black Sea Talks

NC2402195193 Baku Radio Baku Network in Azeri
1700 GMT 24 Feb 93

[Text] The Azerbaijan Parliament International Relations Department has informed an AZERTAC correspondent that Azerbaijani Supreme Soviet Chairman Isa Kamberov has left for Istanbul, where the leaders of the Black Sea countries will meet on 25 February. An agreement is expected to be signed during the meeting on the establishment of a parliamentary assembly.

Georgia

Supreme Soviet Condemns Moscow for Aggression in Abkhazia

OW2402172693 Moscow INTERFAX in English 1657
GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] The Georgian Parliament has laid full responsibility on the Russian Government for aggressive action against Georgian forces by Russian troops deployed in Abkhazia demanding that Moscow must take measures to withdraw its forces from the region. Its resolution follows last Sunday's [21 February] bombing of residential areas of Sukhumi and a statement by Russian Defense Minister Pavel Grachev saying that Russia had strategic interests in Abkhazia and Adzharia.

The parliamentary resolution adopted on Wednesday [24 February] says the military commanders of Russian forces in Abkhazia order attacks on Georgian troops and civilians under the pretext of defending Russian military installations there. As a result, there was loss of life and hundreds of houses were damaged. The Georgian Parliament stressed that such actions were qualified as crime against civilians under the Geneva convention adding that one third of dead casualties in Sukhumi were members of the Russian-speaking community.

On Defense Minister Pavel Grachev's speech on Russian television, Georgian deputies said that such statements

and measures that Russia was resorting to in defense of its strategic interests were in gross violation of the bilateral agreement signed in Moscow on September 3. The resolution also says that the policy of strength runs counter to Moscow-declared democratic policies. There is a real threat of further military action against Georgia and its turning into another Afghanistan, Georgian deputies said.

Demands Withdrawal of Russian Troops

LD2502121193 Moscow Russian Television Network in Russian 1100 GMT 25 Feb 93

[By Arina Sharapova; from the "Vesti" newscast]

[Text] In Georgia, a section of parliamentary deputies has very trenchant feelings about Georgian-Russian relations. For example, certain members of the Georgian Supreme Soviet believe that relations with Russia are built on the basis of a policy of capitulation and are not categorical enough. As for Eduard Shevardnadze's stance, he has stated that he believes it essential for a package of agreements to be signed with Russia, for which purpose political dialogue should be continued. That is not capitulation, but rather an objective necessity, he said.

Meanwhile, yesterday the Georgian Supreme Soviet adopted a statement that says Georgia demands that measures be taken to withdraw Russian troops immediately from the Georgian-Abkhaz conflict zone. Two further points were also put to a vote: on deeming the presence of Russian troops in Abkhazia inadmissible, and on instructing the head of state to begin talks with Russian President Boris Yeltsin on the withdrawal of Russian troops from Abkhazia. This proposal failed to be adopted by two votes.

Shevardnadze Stresses Clarifying Ties With Russia

LD2402171893 Tbilisi CONTACT INFORMATION
AGENCY in Russian 1800 GMT 23 Feb 93

[Text] In a speech at a session of parliament today, E. Shevardnadze, head of state and chairman of parliament, spoke about the results of his trip to Sukhumi, about the measures being taken to defend Sukhumi and the zone of Ochamchire, about meetings with representatives of the military command of Georgian troops stationed in Abkhazia, about the socioeconomic problems of the population in the conflict zone, and also about developing relations with Russia.

E. Shevardnadze devoted particular attention to an analysis of the incident on 20 February when Sukhumi was bombed by aircraft of the Russian Air Force. The head of state repeated that the full responsibility for carrying out this operation lies with the reactionary Russian military commanders in Gudauta, and he noted that the Russian Government is not capable of fully controlling their actions. E. Shevardnadze reported that

he will have a telephone conversation with Russian President Boris Yeltsin. "We must finally clarify our relations with Russia," E. Shevardnadze stated, "since the official position of the Russian leadership has been expressed in the documents we have signed, but on the other hand the Russian military command is giving orders to bomb the town of Sukhumi."

Speaking of the formation of a single Georgian army, the head of state noted that this process is gradually taking the necessary course. The serious situation in the conflict zone has forced me to instruct the heads of district centers in the republic to supervise the mobilization of the population and to create detachments of 50-100 men, which will be on full combat alert, E. Shevardnadze said.

Touching on the socioeconomic situation in the republic, E. Shevardnadze stated that if we do not now receive 60 billion rubles, then for 4-5 months, while coupons are being printed in the republic, the population will be left without wages.

In conclusion the head of state gave an account of meetings with members of the government delegation of the Russian Federation, who have voiced a proposal to hold a meeting of Caucasian and Russian leaders. E. Shevardnadze stated that such a meeting would have to be carefully prepared.

Shevardnadze Denies Knowledge of Grachev's Abkhazia Visit

OW2502110093 Moscow INTERFAX in English 1047
GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] Georgian leader Eduard Shevardnadze stated that he had no information about the Russian defense minister's visit to Abkhazia and Adzharia (both of them part of Georgia—Interfax). "No consultations on the issue were held with Georgian leaders," he told parliament on Thursday [25 February]. He also criticized the Russian defense minister's statement on TV, on Russia's interests in Georgia.

To quote Shevardnadze, Grachev views Gudauta (Abkhazia) and Batumi (Adzharia) as Russia's strategic areas on the Black Sea. "But who is going to deprive Russia of the Black Sea—Turkey, Ukraine or some other state?" he asked. "I must state," he continued, "that for Georgia such a game is unacceptable, because Georgia maintains good relations with Turkey, Ukraine and other Black Sea states, and has no plans to spoil them."

Shevardnadze also noted that he would welcome talks with Grachev in Tbilisi or in some other place following preliminary consultations.

He said that since many problems had accumulated in Russian-Georgian relations, any dialog would be useful, especially with the defense minister. "But not that way, or in that form," he said. "If Pavel Grachev wants to

come to Georgia, let him use the way long paved by serious politicians," he added.

Experts Consider Shevardnadze's Statements on Russia

OW2402164493 Moscow INTERFAX in English 1555
GMT 24 Feb 93

[Report prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] Observers in Tbilisi say that Head of State Eduard Shevardnadze is unlikely to make his visit to Armenia this week (the visit had originally been planned for February 18 but was postponed until the end of the month after a request by the Georgians—IF [INTERFAX]). The reason for this latest re-scheduling of the visit is considered by experts to be the new situation with regard to relations with Moscow which, in the opinion of Shevardnadze himself, are of priority importance. Shevardnadze is believed to be aiming to resolve the problems in the dialogue with Russia which arose after the raid on Sukhumi by a Russian airforce bomber on February 20.

Statements by the Georgian leader made Tuesday [23 February] evening testify to the importance attached to restoring normal relations with Russia. Shevardnadze said that he was prepared to resign "if parliament condemns the Georgian leadership's position on Russia and if it considers that such relations between Georgia and Russia are not needed." "This is the main issue," he said.

IF Note: Georgian Parliamentary deputies on Tuesday evening reacted negatively to a joint communique on the talks between Georgia and Russia which took place in Tbilisi on February 18. Parliamentarians were particularly displeased with the clause which stipulated the settlement of the conflict in Abkhazia within the framework of the agreements reached in Moscow in 1992 but "taking into account new realities." The deputies regarded the statement as an admission by the Georgian side of the loss of a number of populated areas of Abkhazia.

Shevardnadze in turn declared that the text of the communique had been a surprise to him personally and that it did not reflect the nature of the talks which the head of state, prime minister and members of parliament had held with the Russian representatives. He described the document as the result of "our lack of organization, consensus and the necessary tactics." Shevardnadze called for the continuation of the dialogue with Russia on the signing of a large-scale treaty regardless of Russian defense minister Pavel Grachev's statement about Moscow's strategic interests in Abkhazia and Adzharia.

The Georgian leader proposed postponing a final decision on the communique for a few days. During this time, he hopes that Russia's position on Georgia will become more clear.

Shevardnadze Favors 'New Version' of 1921 Constitution

AU2502111393 Tbilisi SAKARTVELOS RESPUBLIKA
in Georgian 17 Feb 93 p 1

[Unattributed report: "A New Version of the Georgian Constitution Will Be Elaborated"]

[Excerpts] The Session of the Georgian Parliament

On 16 February, the session of the Georgian Parliament, as parliamentary Speaker Vakhtang Gogvadze pointed out, began with a charming tradition. At his proposal, the members of Parliament congratulated the artist and public figure Otar Litanishvili on his 70th birthday. [passage omitted]

Eduard Shevardnadze, chairman of the Georgian Parliament-head of state, took the floor. He reviewed certain particularly important stages of Georgian statehood and pointed out that the elaboration and adoption of a text of the Constitution of Georgia was an essential condition for the full independence of Georgia, the existence and development of the modern Georgian state, and the construction of democracy. He said in particular: Some of our fellow citizens believe that talk about the Constitution is premature and that it is more correct for us to lead the country out of the economic and social crisis and put an end to the conflicts that are costing people's lives; the stock of national riches is being consumed, riches that are anyway already being squandered; a "strong hand," a clever and far-sighted dictator would attend to this matter more effectively than a state that has been elected by constitutional means. Certainly not! Georgia will be saved and will emerge from the deep crisis if our society is united in the struggle for the highest national and state interests, if we do not waste the nation's and citizens' energy in the struggle for interests that are dictated by narrowly and primitively understood party or personal ambitions, if we do not get stuck in the mud of cheap politics; it is precisely primitive political thinking and provincial political mongering that is threatening to split our society anew. It is precisely the process of creating and adopting a constitution that will be the sole important factor for extricating the country from the crisis and for constructing a new democratic Georgia.

There are several ways of resolving this question. In our view, the two most acceptable are: drafting a completely new sixth constitution or reviving the 1921 Constitution. There is a whole range of circumstances that favor precisely the latter variant.

In particular, as a result of the restoration of Georgia's first Constitution, the international standing of Georgia as a state, which has a long constitutional history, will increase; all those truly democratic norms and principles

of the Georgian Constitution of 1921 that have not lost their relevance today or the Constitution's so-called "living" part will automatically be brought into force; it will contribute to the future consolidation of society.

The variant of drafting a new constitution does not have all these and other equivalent advantages. This can be seen more clearly from a detailed analysis of Georgia's first Constitution. This reveals that, of the Constitution's 149 Articles, approximately half are wholly acceptable today practically without any changes being made to them, about one-quarter may be partly adopted with new wording, while only up to one-quarter are wholly unacceptable.

In this way, there is no doubt that the optimal and most necessary thing today is the adoption and implementation of a new version of the Georgian Constitution of 1921 that has been thoroughly drafted, something which, according to Article 145 of the same Constitution, is called "a partial review of the Constitution," which can take place on the initiative of no fewer than half the members of Parliament or 50,000 electors.

One of the most important questions in Georgia's first Constitution, which certainly requires revision, is the system of the supreme bodies of state power. It is clear that the mechanism of state power provided for in this Constitution would be unable to fulfill the obligations placed upon it. I have no doubt that the path taken between 11 October [1992; date of the parliamentary elections] and the adoption of a new constitution, the experience accumulated in constructing a new democracy, taking into account Georgia's specific features, the investigations and experiments characteristic of the transitional stage, and also the assiduous study of foreign experience will help us to create a modern and effective model for governing the country.

I would like to emphasize here one important point. In spite of the assertions made by some of our opponents that the very existence of the current autonomous republics ostensibly contradicts our Constitution, the Georgian Constitution of 1921 provided for the territorial autonomy of both Abkhazia and Adzharia (see Article 107). As regards the national status of the currently existing autonomous republics (their own constitutions and other attributes), there is no contradiction at all here with Georgia's first Constitution. It is written in black and white in Article 108: "The statutes on autonomous administration mentioned in the previous article will be elaborated according to a separate law." As is known, there had been no time to adopt this law then. Therefore, the conferment of the appropriate status upon the existing autonomous republics is still in our hands and, which is most important, this does not contradict any article in the Constitution.

The mechanism for elaborating and adopting a new version of the Georgian Constitution of 1921 may be presented as follows:

1) The Georgian Parliament is to adopt without delay a decree on the creation of a state constitutional commission;

2) The state constitutional commission is to elaborate and submit to the Georgian Parliament by December 1993 a draft of a new version of the Constitution, which will be published for universal discussion;

3) Parliament is to discuss the draft of a new version of the Constitution in May-June 1994 and the final text is to be adopted by a two-thirds majority of votes and the date for a referendum is to be set;

4) The referendum is to be held in October-November 1994 (I emphasize that these are suggested dates).

This mechanism for elaborating and adopting a new version of the Georgian Constitution is also advantageous in that it precisely safeguards the norms (Articles 145-147) established in Chapter 17 of this Constitution "for a general or partial review of the constitution." [passage omitted]

Ethnic Armenians Accuse Ardzinba of Fueling Conflict

OW2402200093 Moscow INTERFAX in English 1929
GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Armenian intellectuals residing in Georgia have charged Leader of the Abkhazian Parliament Vladislav Ardzinba with trying to fan up one other ethnic conflict—this time between Georgians and Armenians.

In an appeal to the Armenian community in Abkhazia published on Wednesday [24 February], they described as Ardzinba-concocted misinformation media reports saying that local Armenians were fighting on the Abkhazian side against Georgia.

Ardzinba is trying deliberately to play the Armenian card in the hope of diverting Georgia's attention to its border with Armenia, it says.

Shevardnadze To Visit Armenia Before 28 Feb

OW2502111793 Moscow INTERFAX in English 1048
GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] A Georgian official delegation led by Eduard Shevardnadze is to visit Armenia before Sunday [28 February]. This was reported to parliament by Foreign Minister Chikvaide. Over 20 agreements, including a framework bilateral treaty, agreements on cooperation in the economy, between the parliaments and customs officials are to be signed during the visit.

Ecologists Fearful Over Safety of Armenian Nuclear Plant

OW2402140593 Moscow INTERFAX in English 1344
GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] Georgian ecologists have urged their Armenian colleagues to campaign against the plan to put the Armenian nuclear power plant back into operation. This nuclear power plant was closed down after the earthquake in December 1988. However, Armenian energy experts insist on putting it back into operation as the only way of overcoming the fuel and energy crisis.

In an appeal to Armenian ecologists, published in Tbilisi on Wednesday [24 February], Georgian scientists stated that the nuclear power plant could not be put into operation without a proper hydro-meteorological study, a well-thought-out mode of operation and seismic safety measures. Georgian ecologists also believe that the ecological consequences of the emergency discharge of radio-active water should be analyzed (such accidents happened previously), and that the monitoring of radio-ecological security should be deployed.

Estonia**Meri Warns of Russian 'Rising Postimperialist Forces'***WS2502132593 Tallinn ETA NEWS RELEASE in English 0747 GMT 24 Feb 93*

[Text] Tallinn, 24 February 1993—Estonia's President issued a powerful warning against rising postimperialist forces in Russia in his anniversary speech on Wednesday [24 February] comparing them to Nazis and stressing that Estonia needed international aid in strengthening its borders that are also Europe's borders.

In the present economic chaos, Russia's military industry has strengthened its positions and reform policy is losing ground to neo-colonialist conception in foreign policy, Lennart Meri said after commenting [on] "The Manifest to all Estonian Nations" from February 24, 1918.

"There exists a serious threat that agreements are turning into mere pieces of paper," Meri said.

Meri specifically quoted an article in "Diplomatitsheski Vestnik," where the author, Karaganov, had said Russia needed postimperialist foreign policy and should start from Estonia and Latvia.

Russia remains both a continent and a state while Estonia and Latvia will remain Europe's smallest countries which remain an eyesore to big Russia, Meri said reminding the audience that it was from the Baltic countries where belief in free economy, democracy and multi-party system spread across Russia up to the Pacific Ocean.

Meri warned against arrogant attitude towards such tendencies comparing the article to Adolf Hitler's *Mein Kampf*.

We expect Russia's Foreign Ministry to distance from "Karaganov doctrine," Meri said while stressing that Estonia's political doctrine was that Russia must comply with the CSCE Helsinki document on "rapid, orderly and complete" troop pullout.

Meri issued an appeal to foreign guests attending the festive meeting to recognize the threat to Baltic and Russian democracies and an urgent need to protect Estonia's borders against aggression, smuggling and organized crime.

For centuries, Estonia has been the eastern border of Europe's law, open to political refugees who could open their schools and churches here while repressions swept Russia and who became Estonia's loyal citizens, Meri said.

"Estonia will always be an open society but we need border defence... Our borders are also the borders of Europe's values," Meri said while adding that Estonia needed equipment to protect itself and, consequently, also Europe. "Time is scarce and time never waits for small nations," he added.

Meri also provided a hint concerning Estonian economic reforms. He said that it was necessary to retain profitable state-owned farms for the time being while liquidating others. Meri also said that it was necessary to strengthen the role of state in the country's economy for some period while adding that Estonia could not follow the example of present-day Finland or Sweden and had to look back to the Finland and Sweden of the 1950s.

Laar Urges Political Parties To Gather at Roundtable*OW2402131293 Moscow BALTFAX in English 1137 GMT 24 Feb 93*

[Following item transmitted via KYODO]

[Text] On Tuesday [23 February] evening, Estonian Prime Minister Mart Laar urged all of Estonia's political forces to stop mutual attacks for the sake of national accord, and begin joint work to build a democratic state.

In his speech devoted to Estonia's 75th anniversary, Mart Laar proposed that immediately after the celebrations, the leaders of the political parties gather for a round-table conference to discuss Estonia's foreign, defense and agricultural policies.

"I'm convinced that all political forces have one goal: to make life in Estonia better and safer, to create jobs and to bring our children up in the Estonian language and in the Estonian spirit," he said.

Speaking about the main achievements of the year, Mart Laar named the adoption of the constitution, the parliamentary and presidential elections, the formation of the coalition government, the introduction of the Eesti kroon and the re-orientation of the economy from East to West.

Interviewed on Current Issues*LD2402220893*

[Editorial Report] Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian at 1905 GMT on 24 February carries a 50-minute live or recorded studio interview with Estonian Premier Mart Laar, conducted by reporter Urmas Ott.

Ott first asks Laar whether he has come to the political forefront too soon as he is only 32. Laar replies that young democratic states should have youthful leaders, and points out that in Estonia there are many members of parliament younger than him. He adds that he chose to go into politics and felt himself drawn to it by his background as an historian because he studied Russification in the past and became aware of the need to fight against it now. He says he has no political idols. Asked about his student days, Laar says that he was lucky to graduate after the problems he had over his political sympathies, which eliminated his chance of getting a job at the university after graduating. He had a book on Estonian history published abroad in 1983 by Estonian

exiles in Toronto, and this caused further problems with the authorities; however, he rejects the "dissident" appellation and says many shared his views at the time.

Urmas Ott then asks Laar whether or not he believed that Estonian independence was possible under Brezhnev. Laar replies that it was only toward the end of the 1980's that he started to believe that it could happen, but even then he never suspected it would be so easy.

The discussion then turns to the Pro Patria Party, of which Laar is leader. Laar describes the party as right-wing, resembling most closely the Christian Democrat party in Germany; the party's aim is to make Estonia a European society, he adds.

On the situation in his country when he came to power, the Estonian premier says that there were problems, mostly financial, but some steps in the right direction had already been taken and the government is continuing in its endeavors to improve the economic position. He rejects opposition claims that his lack of an economic background is a disadvantage in tackling the republic's economic problems, and goes on to point out: "As regards the Estonian economy, then, in my view, looking at the former Soviet empire, it is in the best position of all because Estonia is the only country which has really succeeded in carrying out its monetary reform—and has indeed carried it out quickly—and has prepared the ground so that the economy as a whole can develop. It is this monetary reform which has really given Estonia its stable currency, and it is very interesting that now it is the most stable currency throughout Scandinavia."

Urmas Ott then asks Laar how important it is now. He says that his main concern is with the economy, but relations with Russia are important. He goes on to characterize these relations: "It is relations with Russia as a state, and the other side of it is relations with the Russian community in Estonia. Recently, much has been written about this in the press, but it is my experience however, and I feel somehow that, and perhaps the gentleman could confirm or deny what I am saying, but to be honest, I would say that relations between Estonians and Russians in Estonia have never been so good."

Asked how he might explain this, Laar replies that when the campaign of Russification was in full swing, people really hated the Russians in Estonia, but now they have come to realize that the Soviet empire and the Russian people are not one and the same. "In particular, I think that Mr. Yeltsin himself has played a large role in this, because his support for Estonia at a very difficult time in January 1981 [as heard] was very important, and all those events which took place in August destroyed that hatred for ever."

Premier Laar goes on to deny human rights abuses in Estonia, pointing out that international commissions have declared that there are none, and Estonian legislation on the subject is very liberal. He goes on to say that

Russians in Estonia were fearful when his radical government came to power that they would drive the Russians from Estonia, but they have now seen that this is not the case.

Ott then asks another question about relations with Russia, noting that Estonia negotiates with Western countries, but not with Russia. Laar points to some of the difficulties of negotiating with Russia at the moment: "Unfortunately, the internal political situation in Russia is such that now it is very difficult to find the people who really resolve questions, and that is a big problem for us now. Talks are going on with Russia all the time, but it is glaringly obvious at these that there is no one making political decisions. It is as a result of this that our agreement on free trade with Russia has still not been ratified. That would lead to normal relations between neighbors, because we are neighbors, and neighbors we will remain. I am interested in contact with the Russian side. We have good cooperation on a regional basis, for example, with Mr. Sobchak, but at the highest level we often don't get this contact, and on the whole, that is due to the stance of the Russian side. I agreed to meet Gaydar, and according to plan, that was due to take place, but when Russia changed its prime minister—we had no such agreement with the new prime minister, but the Estonian side is of course interested in closer relations both with Russia and, I would like to stress, with other states on the territory of the former Soviet Union as well. In that sense, we have had great successes, for example, our relations with Ukraine are in full swing and are developing in the right direction, and with other countries too, and in that sense, it is very positive."

Ott then points out that some elements in Russia believe that Estonia relies on Russia for its energy supplies, but Laar denies this and says that Estonia is economically independent.

Asked whether his government is popular, Laar replies that Estonia is now a Western country and as in all Western countries, the government is unpopular, but he believes that he has the overall support of his people. He says that he has found the job of prime minister easier than he expected; he feared the administrative side of the job when he assumed the post.

Latvia

Foreign Minister Andreyev Comments on Russian Issue

AU2302110493 Vienna DIE PRESSE in German 23 Feb 93 p 3

["b.b."-signed report: "Latvia Continues To Be an Occupied State"]

[Text] "We cannot legalize a crime committed by Soviet colonialism," Latvia's Foreign Minister Georg Andreyev stated aggressively during a talk with journalists in Vienna on Monday [22 February]. Thus, he reacted to

increasing criticism from Moscow concerning the discrimination against non-Latvians, particularly the Russian ethnic group, by the leadership in Riga. Unfortunately, this criticism also meets with growing response among the Western public, the foreign minister complained.

Andreyev presented his view of the problem: As a result of the policy of Russification during the Soviet rule, the Latvian population was exposed to the danger of becoming a minority in its own country (according to a census carried out in the Soviet era, the Latvians only account for 52 percent of the 2.7 million inhabitants). For this reason, the Latvian Government has adopted very tight laws on citizenship. Thus, non-Latvians who apply for Latvian citizenship must have stayed in Latvia for 16 years and speak the Latvian language.

Members of the former Soviet Armed Forces cannot assume Latvian citizenship at all. Those who are not Latvian citizens cannot own land and are not allowed to found parties. Yet, Andreyev claimed on Monday [22 February] that over 400,000 non-Latvians have been granted Latvian citizenship so far. For another 400,000 non-Latvians, however, the naturalization process may take some more time.

"Of course, we will not drive them away or deport them. Latvia has no Siberia." Most of the hundreds of thousands of non-Latvians want to stay in Latvia. "Yet we can only accept them gradually and in smaller groups as citizens," the foreign minister pointed out.

Andreyev admitted that numerous Russians had fought for independence side by side with the Latvians. "Numerous others, however, still meet every day to hold conspiratorial meetings under the former Soviet flag, demand that the former Soviet troops should remain in Latvia, and call for the restoration of the USSR."

Andreyev also complained that the Moscow leadership under President Yeltsin changed its policy toward Latvia to calm the reactionary forces in Russia that are becoming increasingly strong. Recent talks between Riga and Moscow on the withdrawal of Russian troops from Latvia have been sluggish. The controversial issues continue to be the timetable for the withdrawal and property issues. Riga demands about 800 million schillings from Russia for the costs caused by the presence of its troops.

"From a legal viewpoint, we are an independent state today, but in practice we are still an occupied and colonized country," Andreyev stated. He also sharply rejected Western criticism of the human rights situation in Latvia. "We will not sacrifice our country for the democratic rules of the Western world which are currently simply not suitable for our situation."

During his visit to Vienna, Andreyev opened the Latvian General Consulate. He also announced the opening of a Latvian embassy "as soon as the economic and financial situation allows that."

Country Turning Away From Russia, to West for Arms

LD2402194593 Moscow Russian Television Network in Russian 1700 GMT 24 Feb 93

[By correspondent A. Yakovlev from Latvia; from the "Vesti" newscast]

[Text] Latvia will never threaten other states and there must be no foreign military bases in its territory. These are the main tenets of the young state's military doctrine under which a 9,000-strong army is being set up, including land, sea, air force, and air defense units. Priority has been given to border troops.

Latvia is no longer counting on Russian arms. We asked to be sold just 5,000 Kalashnikov assault rifles and 100 carbines, Dainis Turlajs, Latvian deputy defense minister, stated. However, he added, our requests have remained unanswered. We have now been forced to turn to the West.

It is possible that firearms will be supplied by Sweden, and tomorrow an agreement is to be signed with Germany, which will be handing over five warships to Latvia's defense forces to protect the maritime border.

Germany Donates Military Equipment

OW2402132893 Moscow BALTFAX in English 1137 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] A delegation from Germany's Federal Defense Ministry headed by the ministry's Parliamentary State Secretary Bernd Wiltz arrives in Latvia on February 24.

Baltfax was informed by the Latvian defense ministry's Foreign Affairs Department that the delegation would attend the presentation ceremony for two transport aircraft which the Germans had allocated the republic.

Yesterday in Tallinn German defense ministry representatives donated two transport aircraft together with goods vehicles, winter uniforms, various kinds of equipment, including medical, and communications devices to the Estonian defense forces.

The delegation will then leave for Lithuania where the republic's national defense ministry will also be granted equipment and other stock.

Lithuania

Slezevicius Accepts Post of Prime Minister, Meets DLP

OW2502114993 Moscow BALTFAX in English 1107 GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] On Wednesday [24 February] a candidate to the post of prime-minister—Adolfas Slezevicius, 45, PhD (Economics) was introduced to the parliamentary group of the ruling Lithuanian Democratic Labor Party [DLP].

In the evening he told Baltfax he accepted the official offer of the president elect Algirdas Brazauskas to become the head of the sixth Lithuanian cabinet in three years.

Slezevicius said if he becomes prime-minister, the government will undoubtedly continue economic reforms, but make definite changes especially to overcome the crisis in agriculture. He considers his main task to raise living standards primarily through increasing efficiency in industry and farming.

As prime-minister Slezevicius would work for the energetic introduction of the experience of companies from the USA, Scandinavian and some other countries in order to faster remove obstacles to foreign investments in the Lithuanian economy.

Slezevicius stressed that the geopolitical and economic position of the country necessitate its orientation on Western technologies and Eastern raw materials. Still Lithuania should also have alternative sources of energy and raw materials.

The question of appointing Slezevicius will be decided on Friday. Under the constitution the current cabinet of Bronislovas Lubys should resign the day after the inauguration of the president. The acting chairman of parliament Ceslovas Jursenas told BF [BALTFAX] Brazauskas intends to raise the issue in parliament on Friday.

In the past Slezevicius was deputy chief of the agricultural section of the Lithuanian CP [Communist Party] and deputy minister of agriculture. At present he heads a Lithuanian-Norwegian joint venture exporting milk and the local association of dairy producers.

Jaskelevicius, Landsbergis Give News Briefings

LD2402134093 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 24 Feb 93

[Text] Two briefings have just been concluded at the Seimas palace. Correspondent Algirdas Usas reports.

[Usas] It was reported at the briefing conducted by Press Spokesman Vilius Kavaliauskas that Arunas Marcilionis has congratulated Algirdas Brazauskas on his inauguration as Lithuanian president. This is the first congratulations from one of our famous basketball players.

Kavaliauskas also said that on Friday [26 March], the Lithuanian president will name the candidate to the post of prime minister and will officially present him to the Seimas.

Kestutis Jaskelevicius, chairman of the Seimas finance and budget standing committee, met the journalists at

the briefing. He said that the priorities in the Law on Budget for the current year adopted yesterday were given to agriculture and law and order.

Jaskelevicius said that voting against the adoption of this budget is voting against the state, and he pointed out that this is only a political game. If anything is proposed by the Lithuanian Liberal Democratic Party faction then this is followed by a hostile reaction. The position taken by the Social Democrats is also surprising; it is drowned in theoretical reasoning. According to Jaskelevicius, during the discussion the points of view on inflation became most diverse.

This briefing was followed by one by the opposition. Opposition leader Vytautas Landsbergis said that the budget which was adopted also has an international aspect and it would be economically discreditable. "While worsening the relations with the West we may find ourselves in the East. Lithuania currently is in a dangerous situation and I would like to issue a warning," Landsbergis said.

Landsbergis also said that the KGB structures have become more active; people and businessmen who had cooperated with the KGB and later stopped are now being blackmailed. The problem of the KGB archives is also related to this. The anti-Semitic publications in the press are also beneficial to the KGB.

Landsbergis said that the campaign against him is continuing. This is a wish to silence the opposition, or maybe it is the wish to prevent the formation of the opposition party. In response to a question Landsbergis said that the proposed Act of Concord is a propaganda declaration which has no real substance to it.

Rasa Rastauskiene, opposition press spokesman, said the opposition is concerned that attempts are being made to pressure those who voted for Stasys Lozoraitis, or even to deal with them in a certain way. The opposition is also concerned that the port of Klaipeda is moving further away from Lithuania: Everything is in Russian over there and the activity is directed toward Russia.

Parliamentary Leadership Issues To Be Decided 25 Feb

OW2502115093 Moscow BALTFAX in English 1107 GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] The acting chairman of the Lithuanian Seimas Ceslovas Jursenas reported to Baltfax that the next session of the republic's Seimas which is to discuss the issue concerning its leadership is scheduled for Thursday [25 February], following the inauguration of the Lithuanian president.

According to Jursenas, the parliamentarians are to make a decision to abolish A. Brazauskas' deputy mandate and

to announce new elections in the Kaisiadorys region from which Brazauskas had elected. After that the elections of Seimas' chairman and its deputies are to take place.

Jursenas has reported that the faction of Lithuania's Democratic Party of Labor, which enjoys majority in the parliament, can propose only one candidate for the post of the speaker. However, Jursenas refused to call his name. He added that other factions can also propose their candidates.

In addition, in Jursenas' words, the session will probably resume discussion of the bill on government.

Jursenas reported that on Friday Lithuania's government headed by Bronislovas Lubys will lay down its authorities. The same day the President is expected to propose the candidacy of a new prime minister. In case [the] Seimas agrees to this proposal, the President will appoint the head of the government who is to form its cabinet within 10 days.

Brazauskas, Chernomyrdin Discuss Economic Cooperation

OW2502114893 Moscow BALTFAX in English 1107 GMT 25 Feb 93

[Following item transmitted via KYODO]

[Text] On Wednesday [24 February] evening Lithuania's newly elected President Algirdas Brazauskas had a telephone talk with the Russian Prime Minister Viktor Chernomyrdin.

The office of the Lithuanian President reported to our Baltfax correspondent that during their conversation the leaders of both states discussed the possibility of a meeting between the republic's Prime Minister Bronislovas Lubys and the leadership of Russia's government. The Lithuanian party proposes to discuss the issues concerning procurement of Russia's fuel and energy resources, mutual accounts for transit of cargoes via Lithuania's territory, and several other issues related to further economic cooperation.

A spokesman of the Lithuanian parliament on press, Vilius Kavaliauskas, reported to Baltfax that despite the appointment of a new republican prime minister scheduled for the next week Lubys has been set "to clarify" the issues on economic cooperation with Russia.

Delegation Approves Treaty on Transit of Russian Forces

OW2402214693 Moscow BALTFAX in English 1909 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] At its Wednesday [24 February] session in Vilnius the Lithuanian state delegation at the negotiations with Russia approved the treaty about transit shipments of the Russian armed forces withdrawn from Germany via Lithuania's territory which was agreed by experts of both countries. The delegation decided to propose to the Russian delegation to initial this draft at their next bilateral meeting.

The delegation at the negotiations with Russia headed by the former deputy chairman of the Lithuanian Supreme Soviet Ceslovas Stankevicius addressed President Algirdas Brazauskas with a request to meet in order to discuss the issues concerning negotiations with Russia.

Parliament Barely Approves 'Deficit' Budget for 1993

OW2402133093 Moscow BALTFAX in English 1137 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] The chairman of the Lithuanian parliament's Finance and Budget Committee, Kestutis Jasklevicius, described as miserable the state budget for 1993, which the Seimas approved by a roll-call vote on Thursday evening [day as received].

The budget will be a deficit one, the revenues constituting some 116 billion coupons, the expenditures more than 121 billion coupons (one dollar is today equivalent to 440-450 coupons).

One remarkable feature of this year's budget is that expenditures for agriculture and the law enforcement system are designated in it as priorities. Somewhat less will be allocated for financing the civil service than proposed in the original draft but more will be spent on education, culture, science, and housing construction.

The Seimas also ratified the treaty with the European Bank for Reconstruction and Development on a loan for immediate investments in Lithuania's power engineering signed in London on December 15, 1992.

Government Allows State-Run Enterprises To Increase Wages

OW2402131693 Moscow BALTFAX in English 1136 GMT 24 Feb 93

[Following item transmitted via KYODO]

[Text] The Lithuanian government has allowed the state-run and mixed enterprises to increase their workers' wages and salaries in February and March. This decision goes in line with the memorandum on Lithuania's economic policy, presented by the Lithuanian government to the International Monetary Fund.

Wages will be raised at the enterprises which increased the output compared to 1992. Violations of the current procedure will incur economic sanctions.

The government's earlier permission to increase wages referred to November and December, 1992, and was extended to January 1993.

According to Lithuania's Ministry for Social Welfare, in November, December and January wages at state-run enterprises increased by 1%, 5% and 8.3%, respectively, compared to the previous month. The wages, frozen for several months beginning January 1, 1993, have been increased by 20 per cent.